

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (FSMA) who specialises in advising on the acquisition of shares and other securities.**

This document comprises a prospectus relating to Ashington Innovation PLC (**Company**), prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (**FCA**) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. Applications will be made to the FCA for all of the ordinary shares of 1 pence each in the Company (issued and to be issued pursuant to the Subscription) to be admitted to the Official List maintained by the FCA (**Official List**) by way of a standard listing under Chapter 14 of the Listing Rules and to the London Stock Exchange Plc (**London Stock Exchange**) for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (**Admission**). It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 6 June 2023 (or such later time and/or date as may be agreed).

The Company, whose registered office appears on page 34 of this document, and each of the Directors, whose names and business functions appear on page 34 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors, the information contained in this document is in accordance with the facts and this document contains no omission likely to affect its import.

This prospectus has been approved by the Financial Conduct Authority, as competent authority under Regulation (EU) 2017/1129, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (**UK Prospectus Regulation**). The Financial Conduct Authority only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer or the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISK AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" ON PAGES 11 TO 24 OF THIS DOCUMENT.**

**PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED.**

**ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OR PART OF THEIR INVESTMENT.**

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## **ASHINGTON INNOVATION PLC**



***(incorporated in England and Wales under the company number 12758732)***

Subscription for 26,981,233 Ordinary Shares at a price of £0.03 per Ordinary Share and admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities

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This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, ordinary shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the company.

As at the date of this document, of the 34,416,667 Existing Ordinary Shares, the Company has a total of 21,250,000 Ordinary Shares in issue which were subscribed for at the nominal value of £0.01 per share by the Founder (**Founder Shares**) and the Subscription Price represents a premium of 200 per cent. to the subscription price paid by the Founder in respect of the Founder Shares. The Founder Shares represent 61.74% of the Existing Ordinary Shares and, as a result of the issue of the Subscription Shares, the Existing Ordinary Shares (including the Founder Shares) will be diluted by 43.94 per cent. and the Founder Shares will represent 34.61 per cent. of the Enlarged Share Capital. On pages 9 to 10 of the Summary section and at paragraphs 8 and 9 of Part I, there is set out a detailed summary and explanation of the impact of dilution and how investors may experience dilution from further issues of Ordinary Shares, including, *inter alia*, as a result of the completion of an Acquisition and the exercise of any Warrants.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to as for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act. The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

**APPLICATION WILL BE MADE FOR THE ORDINARY SHARES, ISSUED AND TO BE ISSUED PURSUANT TO THE SUBSCRIPTION, TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST. A STANDARD LISTING WILL AFFORD INVESTORS IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH A PREMIUM LISTING ON THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.**

The date of this prospectus is 1 June 2023.

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## SUMMARY

### Section A - Introduction and Warnings

**THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR. AN INVESTOR ACQUIRING ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTED CAPITAL.**

Civil liability attaches to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

|                                                |                                                                                                                                                                                                                     |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Name and ISIN of Securities</i>             | Ordinary Shares.<br>International Securities Identification Number ( <b>ISIN</b> ): GB00BNM4K334                                                                                                                    |
| <i>Offeror Name, contact details and LEI</i>   | Name: Ashington Innovation plc<br>Registered office: 27/28 Eastcastle Street, London, W1W 8DH, United Kingdom.<br>Telephone number: 0203 978 1000.<br>Legal Entity Identifier ( <b>LEI</b> ): 213800ZAKVIK5KORQ942. |
| <i>Competent Authority and contact details</i> | Name: Financial Conduct Authority<br>Address: 12 Endeavour Square, London, E20 1JN                                                                                                                                  |
| <i>Date of approval of Prospectus</i>          | 1 June 2023                                                                                                                                                                                                         |

### Section B – Key Information on the Issuer

#### **Who is the issuer of the securities?**

|                                                                                          |                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Domicile and legal form, LEI, applicable legislation and country of incorporation</i> | The Company is a public company limited by shares, incorporated in England and Wales under CA 2006 with registered number 12758732 and LEI 213800ZAKVIK5KORQ942.                                                                                                                       |
| <i>Principal activities</i>                                                              | The Company is a special purpose acquisition vehicle which will seek an acquisition target in the technology sector. The Company intends to search initially for acquisition opportunities in the financial services technology (“fintech”) and deep-technology (“deep tech”) sectors. |
| <i>Major shareholders</i>                                                                | Except for the interests of those persons set out in this paragraph, the Directors are not aware, at the date of this document, of any interest which immediately following Admission would amount to 3% or more of the Company’s issued share capital:                                |

| Name                       | Ordinary Shares as at the date of this document | Percentage of Existing Ordinary Shares | Ordinary Shares on Admission | Percentage of Enlarged Share Capital |
|----------------------------|-------------------------------------------------|----------------------------------------|------------------------------|--------------------------------------|
| Jason Smart                | 21,250,000                                      | 61.74%                                 | 29,731,233                   | 48.42%                               |
| Mohammed Bakhashwain       | -                                               | 0.00%                                  | 7,833,333                    | 12.76%                               |
| Michael Nunn               | 3,333,333                                       | 9.69%                                  | 3,333,333                    | 5.43%                                |
| Peter Gaynor               | 3,333,333                                       | 9.69%                                  | 3,333,333                    | 5.43%                                |
| Edward Johnson             | -                                               | 0.00%                                  | 3,333,333                    | 5.43%                                |
| David Orchard <sup>1</sup> | 1,000,000                                       | 2.91%                                  | 2,500,000                    | 4.07%                                |

Notes:

<sup>1</sup> 1,000,000 Ordinary Shares held as at the date of this document are held by WGP Global Limited, a company controlled by David Orchard and 1,500,000 Ordinary Shares are expected to be subscribed for on Admission by Elaine Orchard, David Orchard's spouse.

There are no differences between the voting rights enjoyed by the above persons and those enjoyed by the other holders of Ordinary Shares.

**Controlling shareholder, if any** To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercises or could exercise control over the Company.

**Key managing directors** Peter Eric Presland, Christopher Leonard Disspain, Jason Smart and Jason Kingsley Drummond.

**Statutory Auditors** Name: Venthams Limited  
Address: Millhouse, 32-38 East Street, Rochford, Essex, SS4 1DB

### **What is the key financial information regarding the issuer?**

The tables below set out the summary financial information of the Company for the period from incorporation to 31 July 2022. The Company has not yet commenced business. The information has been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

**Table 1: Income statement for non-financial entities (equity securities)**

|                      | Interim period ended<br>31 January 2023<br>(unaudited)<br>£ | Year ended<br>31 July 2022 (audited)<br>£ | Period ended 31 July<br>2021 (audited)<br>£ |
|----------------------|-------------------------------------------------------------|-------------------------------------------|---------------------------------------------|
| Total Revenue        | -                                                           | -                                         | -                                           |
| Administrative costs | (66,533)                                                    | (381,450)                                 | (209,707)                                   |
| Operating loss       | (66,533)                                                    | (381,450)                                 | (209,707)                                   |
| Net loss             | (66,533)                                                    | (381,450)                                 | (209,707)]                                  |

**Table 2: Balance sheet for non-financial entities (equity securities)**

|              | As at<br>31 January 2023<br>(unaudited)<br>£ | As at 31 July 2022<br>£ | As at 31 July 2021<br>£ |
|--------------|----------------------------------------------|-------------------------|-------------------------|
| Total assets | 35,532                                       | 143,153                 | 71,400                  |
| Total equity | (50,190)                                     | 16,343                  | 2,793                   |

**Table 3: Cash flow statement for non-financial entities (equity securities)**

|                                                   | Interim period ended<br>31 January 2023<br>(unaudited)<br>£ | Year ended<br>31 July 2022 (audited)<br>£ | Period ended 31 July<br>2021 (audited)<br>£ |
|---------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|---------------------------------------------|
| Relevant net Cash flows from operating activities | (109,091)                                                   | (329,647)                                 | (141,300)                                   |

### **Pro-forma statement of net assets**

Not applicable. No pro forma financial information is included in this document.

### **Qualifications to the accountants' report**

There are no qualifications in the financial information included in this prospectus.

***What are the key risks that are specific to the issuer?***

- Although the Company has no history of trading and no current trading activities, the Subscription Shares will be issued at a premium to the net asset value of the Ordinary Shares, and the Company has limited cash resources which will diminish owing to the Company's operating costs.
- The Company has no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of acquiring a suitable company or business.
- The Company's business strategy and business model are dependent on the Acquisition. There can be no guarantee that the Acquisition will take place or that it will be successful.
- The Company is dependent on the Directors and the Senior Manager to identify suitable acquisition opportunities.
- The Company intends to acquire only a single company or business for the Acquisition, concentrating the risk of potential loss due to any underperformance of the Acquisition.
- The due diligence carried out in respect of the Acquisition may not reveal all relevant facts or uncover all significant liabilities.
- The Company may be unable to obtain financing, if required, to complete the Acquisition or to fund the target's operations, or may not be able to obtain financing on terms acceptable to the Company.
- A potential Acquisition target's business may face competition from a range of other companies.
- Technological changes could overtake products being developed by the Acquisition target.
- The Company will not comply with the minimum market capitalisation (MMC) requirements of £30m under Listing Rule 2.2.7R(1) on Admission. The Company completed submission to the FCA for a listing eligibility review prior to 4pm on 2 December 2021 and such application has not been withdrawn or materially amended. On the basis of this application (being on or before 2 June 2023), the Company is able to proceed with its current application for Admission based on transitional arrangements established for application for admission to listing. On Admission, the aggregate market value for all shares to be listed by the Company must exceed £700,000. An Acquisition will result in a Reverse Takeover which would result in the cancellation of the Company's listing and it would need to apply for the enlarged share capital of the Company to be admitted to trading. At such point, the eligibility of the Company (as enlarged by the Acquisition) would need to be reassessed, including as regards its ability to comply with the adjusted MMC requirement of £30 million. The Company cannot guarantee to investors that, following an Acquisition, the Company will be able to satisfy the new MMC eligibility requirements. If the Company is unable to satisfy the eligibility requirements, its Standard Listing will be cancelled and this may result in investors holding Ordinary Shares in an untraded public company, or the Company may otherwise seek a listing on an alternative securities market or stock exchange which may not provide similar levels of liquidity.

**Section C – Key information on the securities**

***What are the main features of the securities?***

|                                                           |                                                                                                                                                           |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Type, class and ISIN of securities</i>                 | The securities the subject of the Subscription and Admission are Ordinary Shares (ISIN GB00BNM4K334)                                                      |
| <i>Currency, denomination and par value of securities</i> | The Ordinary Shares are denominated in pounds sterling at a par value of £0.01 each.                                                                      |
| <i>Number of securities issued</i>                        | The Company has 34,416,667 Ordinary Shares in issue and 26,981,233 Subscription Shares will be issued conditional on Admission taking place.              |
| <i>Rights attached to the securities</i>                  | Each Ordinary Share ranks pari passu for voting rights, dividends and return of capital on winding up. Except as disappplied, Shareholders will have pre- |

emption rights which will generally apply in respect of future share issues for cash. Pre-emption rights have been disapplied pursuant to a special resolution passed on 8 April 2021. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash.

*Seniority of the securities in the event of insolvency* The Ordinary Shares rank behind all debts and liabilities of the Company (secured and unsecured). The Company only has one class of shares, which rank pari passu on insolvency.

*Details of any restrictions on free transferability of the securities* There are no restrictions in place.

*Dividend or payout policy, if any* The Company does not intend to pay dividends in the near future as its funds will be utilised to acquire a company or business and fund the development of that company or business.

#### **Where will the securities be traded?**

*Application for admission to trading* The securities are subject to an application for admission to trading on a regulated market.

*Market(s) on which the securities will be traded, if any* London Stock Exchange's Main Market for listed securities.

#### **What are the key risks that are specific to the securities?**

- The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing.
- The FCA may decide to suspend the listing of the Ordinary Shares if the Company proposes making the Acquisition and the FCA determines that there is insufficient information in the market about the Acquisition which the Company proposes to make. Suspension of the Company's shares will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them.
- The Company's re-admission to the Official List or other appropriate listing venue following a Reverse Takeover is subject to the Company as enlarged by the Acquisition being eligible for re-admission and the Company issuing a new prospectus or other required admission or listing document.
- Any further issues of Ordinary Shares may dilute investors' shareholdings. In particular, the Company may issue additional Ordinary Shares as non-cash consideration under the Acquisition and/or to raise additional equity capital in order to complete the Acquisition. Pre-emption rights have been waived.
- Existing Ordinary Shareholders and investors may experience further dilution as the result of the exercise of Warrants.

### **Section D – Key information on the offer of securities to the public and/or the admission to trading on a regulated market**

#### **Under which conditions and timetable can I invest in this security?**

*General terms and conditions of the offer* The Company has secured commitments to subscribe for the 26,981,233 Subscription Shares at the Subscription Price of 3 pence per share. The Subscription is conditional on Admission taking place on or around 6 June 2023 (or such later date as may be agreed by the Company). The Subscription Shares will be distributed by or on behalf of the Company directly to the subscribers. Each investor under the Subscription has irrevocably agreed to acquire those Subscription Shares allocated to it and to pay the aggregate subscription price for such Subscription Shares. Such commitment may not be withdrawn other than on a failure by the Company to achieve Admission by such long-stop date.

The rights attaching to the Subscription Shares will be uniform in all respects

and all of the Ordinary Shares will form a single class for all purposes. The Subscription will not be underwritten.

***Expected timetable of the offer***

|                                                                                                     |              |
|-----------------------------------------------------------------------------------------------------|--------------|
| Date of this prospectus                                                                             | 1 June 2023  |
| Admission and commencement of unconditional dealings in Ordinary Shares                             | 6 June 2023  |
| Crediting of Ordinary Shares to be held in uncertificated form to CREST accounts                    | 6 June 2023  |
| Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than | 20 June 2023 |

***Details of the admission to trading on a regulated market, if any***

Application will be made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

***Plan for distribution***

The Subscription Shares will be distributed to investors by the Company or, where applicable, by SI Capital on behalf of the Company.

***Amount and percentage of dilution resulting from the offer***

Pursuant to the Subscription, investors have conditionally subscribed for 26,981,233 Subscription Shares at the Subscription Price, representing 43.94 % of the Enlarged Share Capital. The Subscription and Admission will result in the Existing Ordinary Shares being diluted so as to constitute 56.06 % of the Enlarged Share Capital.

***Estimate of total expenses of the issue and/or offer***

£353,948 (inclusive of irrecoverable VAT).

***Details and amount of estimated expenses charged to the investor***

None.

***Why is this prospectus being produced?***

***Reasons for offer and admission to trading on a regulated market***

The Company is raising capital to fund the investigation of, due diligence in respect of, and evaluation of opportunities for the acquisition of a company or business in the technology sector, in particular the financial services technology and deep-technology sectors. The Directors consider that admission of the Company's shares to trading on the Main Market will be attractive both to investors under the Subscription and to the vendors of potential target companies or businesses as the Company executes its investment strategy, relative to the listing or admission of the Company's shares on a different exchange.

***Use of net proceeds and estimated amount of net proceeds***

The Net Proceeds to the Company amount to approximately £455,486 after deduction of fees and expenses payable by the Company relating to the Admission and the Subscription.

In addition, the Company raised £537,500 (gross) pursuant to the Founder's Initial Funding and the Pre-IPO Financing. Net of costs associated with the Founder's Initial Funding, the Pre-IPO Financing and the establishment of the Company, the proceeds of the Founder's Initial Subscription and the Pre-IPO Financing amounted to £251,641.

The Net Cash, in the amount of approximately £707,130, being the Net Proceeds, together with the Founder's Initial Funding and the Pre-IPO Financing, net of the costs of the Founder's Initial Subscription, the Pre-IPO Financing and the establishment of the Company, will be used to:

- pursue the Company's immediate and primary objective of initially identifying a suitable Acquisition and to subsequently undertaking legal, financial and tax due diligence on that acquisition (approximately £454,000); and
- working capital to cover the Company's ongoing annual operating costs, including:
  - professional fees (approximately £94,000)
  - registrar and secretarial fees (approximately £9,000)
  - London Stock Exchange fees (approximately £11,000)

- staff salaries and directors' remuneration (approximately £54,000)
- PR, marketing and promotions (approximately £30,000)
- travel costs (approximately £11,000)
- office expenses (approximately £13,000)
- directors' and officers' liability insurance (approximately £20,000)
- other sundry and contingency costs (approximately £12,000).

*Confirmation of whether the offer underwritten on a firm commitment basis, including details of any uncovered portion*

The Subscription is not being underwritten.

*Most material conflicts of interest pertaining to the offer or admission to trading, if any*

There are no material conflicts of interest pertaining to the offer or admission to trading.

*Dilution*

On the date of this document, of the 34,416,667 Existing Ordinary Shares, the Company has in issue a total of 21,250,000 Ordinary Shares which were subscribed for at a subscription price equal to the nominal value, being £0.01, by the Founder (**Founder Shares**).

Ordinary Shares that were issued as part of the Pre-IPO Financing were, and, Ordinary Shares that will be issued as part of the Subscription are to be, issued at the Subscription Price, which represents a premium of 200 per cent. of the price at which the Founder subscribed for Founder Shares.

The Founder Shares represent 61.74 per cent. of the Existing Ordinary Shares and, as a result of the issue of the Subscription Shares, the Existing Ordinary Shares (including the Founder Shares) will be diluted by 43.94 per cent. and the Founder Shares will represent 34.61% per cent. of the Enlarged Share Capital. The Founder and existing Shareholders will therefore experience significant dilution as a result of the Subscription and Admission.

The Company is proposing to undertake an Acquisition and it is important that investors and the existing Shareholders are aware that the Directors are unable to provide a clear statement of the consideration required to be paid to undertake that Acquisition. The Acquisition is likely to be financed largely or entirely from the issue of new Ordinary Shares (**Acquisition Shares**) and it is not therefore possible to forecast the number of new Acquisition Shares required to satisfy the payment of the consideration for an Acquisition.

The Company has, conditional upon Admission, granted Directors and Management Warrants to the Directors and the Senior Manager. The Directors and Management Warrants entitle the Directors and the Senior Manager to subscribe, following (and conditional upon) completion of an Acquisition, at the Subscription Price for such number of Ordinary Shares as is equal, in aggregate, to 5% of the number of new Ordinary Shares to be issued as consideration shares pursuant to the Acquisition. The Directors and Management Warrants will be exercisable for a period of two years from the date of completion of the Acquisition. Entitlements to subscribe for Ordinary Shares pursuant to the Directors and Management Warrants are allocated amongst the Directors and the Senior Manager as follows:

|                |             |
|----------------|-------------|
| Jason Smart    | 93.47%      |
| Jason Drummond | 0.71%       |
| Chris Disspain | 0.71%       |
| Peter Presland | 0.71%       |
| David Orchard  | 4.40%       |
|                | <b>100%</b> |

In addition, the Company agreed to grant to Broker Warrants, representing 2% of the gross proceeds of funds raised by SI Capital on completion of a

Reverse Takeover at the issue price in respect of that Reverse Takeover.

Being a function of the target number of Acquisition Shares, it is therefore not possible to forecast additional dilution pursuant to the exercise of the Warrants.

The Directors therefore anticipate that a significant number of new Ordinary Shares will be issued as part of any future Acquisition (including pursuant to the Warrants) and Shareholders should be aware that completion of an Acquisition is likely to result in significant dilution to Shareholders.

Until an Acquisition is completed, no additional dilution under the Warrants can occur. Other than the Warrants, as at the date of this document the Company has granted or issued no options, warrants or other rights to subscribe for, or convert into, Ordinary Shares.

## RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. The risk factors described below may not be exhaustive. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Company's business. If this occurs the price of the Ordinary Shares may decline and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

### GENERAL TRANSACTION RISK

***Although the Company has no history of trading and no current trading activities, the Subscription Shares will be issued at a premium to the net asset value of the Ordinary Shares and the Company has limited cash resources which will diminish over time owing to the Company's operating costs.***

The Subscription Shares are being issued at the Subscription Price of 3 pence per share. The estimated net asset value post the Subscription will be approximately 0.85 pence per share. The premium to net asset value of approximately 2.15 pence per share places an intangible value on the strategy proposed by the Board and the human capital contained in the Board, as well as reflecting the costs incurred in the Subscription and Admission. The Founder, who financed the Company at the earlier stages in its development, has subscribed for 21,250,000 Ordinary Shares at a lower price per Ordinary Share than the Subscription Price, which Ordinary Shares constitute 34.61% of the Enlarged Share Capital. There can be no guarantee that the Ordinary Shares will be valued on the same basis used for the Subscription following Admission and the price of the Ordinary Shares may fall.

The Company raised £537,500 (gross) pursuant to the Founder's Initial Funding and the Pre-IPO Financing. In addition, the Company has raised gross Subscription Proceeds of £809,437. The aggregate expenses of the Company associated with the Founder's Initial Funding, the Pre-IPO Financing, Admission and the Subscription are expected to amount to £639,807, of which, as at the date of this document, approximately £528,022 has already been paid, leaving cash resources of approximately £9,478. The balance of such expenses, in the amount of approximately £111,785 is expected to be paid on or around Admission, funded by the remaining cash resources and the gross proceeds of Subscription.

As a result, on Admission the Company expects to have cash resources of approximately £707,130 (being the Net Proceeds, together with the Founder's Initial Funding and the Pre-IPO Proceeds, less expenses associated with the Founder's initial subscription, the Pre-IPO Financing and the establishment of the Company). The Company's anticipated operating costs in the 12 months from Admission, payable from such cash resources, are estimated at approximately £276,000 and as the Company currently has no sources of revenue other than interest on deposits, the Company's cash resources will diminish. In addition, if the Company makes an Acquisition, it is likely that materially all the Company's existing cash resources will be expended on the costs associated with the Acquisition, principally due diligence and transaction costs involved in a Reverse Takeover. There can be no guarantee that the diminishing of the Company's cash resources will not result in a fall in the price of the Ordinary Shares in the future.

## **RISKS RELATING TO THE COMPANY AND ITS BUSINESS STRATEGY, INCLUDING THE ACQUISITION**

***The Company has no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of acquiring a suitable company or business.***

The Company was incorporated on 21 July 2020. It has no operating history, and no revenues or results of operations, meaning that there is no basis on which to evaluate the Company's performance or its ability to achieve its business objective of acquiring and operating a suitable company or business in the technology sector. The Company will only commence operations following Admission and will not generate any revenues from operations, if any, unless and until the Acquisition has been completed, and there can be no guarantee that the Acquisition will be completed.

***The Company's business strategy and business model are dependent on the Acquisition. There can be no guarantee that the Acquisition will take place or that it will be successful***

The Company's business strategy and business model depend on the successful completion of the Acquisition and on the effective and successful running of the company or business acquired. There can be no guarantee that the Directors will be able to identify a suitable target for the Acquisition, that the Acquisition will be successfully completed, that the company or business acquired will be profitable or that the Company will be able to acquire it at a price that is consistent with its objectives or at all, which may have a material adverse effect on the Company's business, financial condition or results of operations. In addition, if the Company fails to complete an acquisition which it has been pursuing (for example, because it has been outbid) it may be left with substantial unrecovered transaction costs, potentially including substantial break fees. See also "*The Company may not be able to deploy its Net Cash for a substantial period of time, which could result in significantly lower returns on the Net Proceeds than if the Acquisition were completed immediately following the Subscription*".

***The Company is dependent on the Directors to identify suitable acquisition opportunities***

The Company is dependent on the Directors to identify suitable acquisition opportunities. Whilst the Directors have considerable relevant experience of acquiring companies, businesses and assets in the nature of those that the Company will seek to acquire (see further *Part I: Information on the Company, Investment Opportunity and Strategy*, "*Company objective, business strategy and execution*") there is a risk that the Directors may not be able to source suitable targets for the Acquisition or execute the Acquisition and that any targets identified may not fully align with the Company's objectives and business plans.

***The Company intends to acquire only a single company or business for the Acquisition, concentrating the risk of potential loss due to underperformance***

The Company's intention is for the Acquisition to involve the Company acquiring only a single company or business, meaning that the risk of underperformance in operations or assets will be concentrated therein. There can be no assurance that the acquired company or business will be successful or that expectations regarding its growth potential and value will be realised. Potential investors in the Ordinary Shares should be aware that the risk of investing in the Company could be greater than investing in an entity which acquires and operates a range of businesses in a variety of sectors.

***Acquisition of controlling interests may not be possible***

The Company's intention is to acquire controlling interests in target businesses. It may, however, be that opportunities to acquire controlling interests are not possible either initially or at all. The Company does not intend to acquire portfolios of non-controlling interests but may invest where participation in an acquired company or business may result in enhancing shareholder value and where the participation of the Company in such companies or businesses is active rather than passive. Where non-controlling interests are secured, the Company's operational strategies may be limited and its ability to take active steps to enhance Shareholder value may be limited (albeit that the Company would endeavour in its negotiations of the terms of such participation will to entrench the Company's participative interest and value enhancement). In the event that the Company cannot acquire a controlling interest in the target business, there could arise an impairment to the Company's objective and acquisition, financing and business strategies which the Company is not able to take steps to address and accordingly which could have a material adverse effect on the financial condition and / or prospects of the Company.

***The due diligence carried out in respect of the Acquisition may not reveal all relevant facts or uncover significant liabilities***

The Company intends to conduct appropriate, practicable and focused due diligence in respect of the Acquisition, with the objective of identifying any material issues that may affect the decision to proceed with the Acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning. During the due diligence process, the Company will be forced to rely on the information that is available to it, including publicly-available information. Information may not be available from or on behalf of the relevant target company or business where the target does not consider the transaction to be in the best interests of its shareholders. Any information that is provided or obtained from available sources may not be accurate at the time of delivery and/or remain accurate during the due diligence process and in the run-up to the Acquisition. More broadly, there can be no assurance that the due diligence undertaken will be adequate or accurate or will reveal all relevant facts or uncover all significant liabilities or that the due diligence will result in a successful Acquisition (including with respect to the formulation of a post-Acquisition business strategy). If the due diligence investigation fails to identify key information in respect of the target of the Acquisition, or if the Company considers such material risks to be commercially acceptable, the Company may be forced to write-down or write-off assets in respect of the target acquired, which may have a material adverse effect on the Company's business, financial condition or results of operations. In addition, following the Acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could have a material adverse effect on the Company's financial condition and results of operations (especially if the due diligence is required to be undertaken in a short timeframe or in a competitive situation).

***The Covid-19 Pandemic may have a negative impact on the Company's ability to identify and consider appropriate acquisition opportunities and/or to successfully complete an Acquisition and/or to the time that may be required to complete it***

The World Health Organisation designated Covid-19 a Public Health Emergency of International Concern on 30 January 2021. Following this designation, and in response to the significant transmission risks posed by Covid-19, governments in the United Kingdom, Europe and the United States, as well as other major economies, have enacted significant restrictions on the movement of people and the activities they can carry out. As a result, there has been a severe disruption to both domestic and international trade, labour markets and supply chains, which disruption is continuing. These developments may have a material impact on the Company's ability to identify a target for the Acquisition, perform due diligence in respect of the target or complete the Acquisition and/or the time and cost that may be required for the Company to carry out such tasks.

***The Company may be unable to obtain financing, if required, to complete the Acquisition or to fund the target's operations, or may not be able to obtain financing on terms acceptable to the Company***

The Company's Net Cash will be used to identify and carry out due diligence on the target of the Acquisition and to fund other transaction costs. As such, as the target of the Acquisition is yet to be identified and as the amount of capital required cannot yet be predicted it is highly unlikely that the Company's Net Cash will be sufficient to complete the Acquisition. The Company is likely to be required to seek additional equity or debt financing in order to fully finance the Acquisition and its completion and there can be no guarantee that the Company will be able to obtain the funding required or do so on terms that are acceptable to the Company. If the Company is unable to fully finance the Acquisition, it may need to be cancelled or significantly restructured, either of which may have a material adverse effect on the Company's business, financial condition or results of operations.

The Company may also require additional financing to fund the company or business acquired in the Acquisition and this may include making substantial equity commitments in cash; the failure to obtain such financing or to secure it on acceptable terms may have a material adverse effect on the company or business acquired, the impact of which may extend to the Company's business, financial condition or results of operations.

***Dependence on key executives and personnel***

The Company believes that the growth of the Company's future operations will be largely attributable to the efforts and skills of the Board. Although the Directors have entered or will at the time of Admission enter into letters of appointment with the Company, the loss of the services of any such individual (whose retention as a director of the Company cannot be guaranteed) may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company through the Company's diminished capacity to identify, evaluate and consummate the Acquisition of a suitable target. There is currently no key personnel insurance in place. The future performance of the Company will depend heavily on its ability to retain the services and personal connections/contacts of key executives and to

recruit, motivate and retain further suitably skilled, qualified and experienced personnel. See also, “*The Company is dependent on the Directors to identify suitable acquisition opportunities*”.

***Because the Company and the Directors have not yet selected any target for the Acquisition, the Company is currently unable to ascertain the merits or risks of a target business’ operations and investors will be relying on the ability of the Directors to source appropriate and suitable acquisition opportunities***

Because the Company and the Directors have not yet identified any prospective targets for the Acquisition, Shareholders currently have no basis on which to evaluate the possible merits or risks of a target business’ operations. Although the Directors will evaluate the risks inherent in a particular target, the Company and the Directors cannot offer any assurance that a proper discovery or assessment of all of the significant factors can be made. Furthermore, no assurance can be made that an investment in Ordinary Shares will ultimately prove to be more favourable to Shareholders than a direct investment, if such opportunity were available, in a target business. Investors will be relying on the ability of the Directors to source acquisition opportunities, evaluate their merits, conduct or monitor due diligence and conduct negotiations. The prospective Acquisition will be subjected to an extensive legal, financial and technical due diligence process to minimise this risk.

***The Company’s business strategy depends on the effectiveness of the operating strategies devised by the Directors and there is no assurance that these strategies will be successfully implemented or, if implemented, that they will be effective in increasing the valuation of any business acquired***

There can be no assurance that the Company or the Directors will be able to propose and/or implement effective operational improvements for any company or business which the Company acquires or to effectively implement the other features of its post-Acquisition value creation strategy as described in this document. In addition, even if the Company completes the Acquisition, general economic and market conditions or other factors outside the Company’s control could make the Company’s operating strategies difficult to implement. Any failure to implement these strategies successfully and/or the failure of these strategies to deliver the anticipated benefits could have a material adverse effect on the Company’s results of operations and financial condition. As a result the Company may be unable to achieve attractive returns for its Shareholders.

***Although the Company believes the current economic environment has created a number of acquisition opportunities, there may be competition for certain of these opportunities***

There may be competition from others interested in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, existing controlling shareholders in potential acquisition targets and public and private investments funds. Although the Company believes that it is well placed to compete for opportunities, the Company cannot assure the Shareholders that it will be successful against such competition.

***The Company may not be able to deploy its Net Cash for a substantial period of time, which could result in significantly lower returns on the Net Proceeds than if the Acquisition were completed immediately following the Subscription***

The Company cannot estimate or guarantee how long it will take to use the Company’s Net Cash to complete the Acquisition. The Directors will not recommend any particular acquisition to the Company, and the Directors will not take any decision to carry out any possible transaction, prior to the Subscription. Following the Subscription, suitable acquisition opportunities may not be immediately available, and even if such opportunities are available, the Company intends to conduct appropriate due diligence in relation to such opportunities prior to completion of the Acquisition. Prior to the completion of the Acquisition, the Company will invest or deposit the Net Cash in sterling denominated money market instruments, government securities, commercial paper, asset backed commercial paper, corporate bonds and/or deposits with commercial banks. Interest on the Net Cash so deposited or invested may be significantly lower than the potential returns from an investment in an Acquisition. The Net Cash will be so managed, invested and/or deposited by the Company and will not be placed in any form of trust or escrow arrangement. The Company will principally seek to preserve capital and therefore the yield on the instruments in which it invests is likely to be low.

If the Acquisition is not completed before the date 24 months from Admission, then (unless the Acquisition has been previously announced but completes after the date falling 24 months from Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board will seek Shareholder approval at a general meeting for the recommended course of action at this stage. In such

circumstances, no representation can be made as to the particular amount or value of the remaining assets at such future time of any such distribution.

***Unfavourable general economic conditions may have a negative impact on the results of operations, financial condition and prospects of a potential target business***

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries, including energy. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of an acquisition target will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

***The conflict in Ukraine may have a negative impact on the Company's ability to successfully complete an Acquisition and/or on the results of operations, financial condition and prospects of a potential target business***

The conflict in Ukraine has resulted in a significant expansion in sanctions imposed by the US, the UK and the EU, in particular, against Russia, the Russian financial sector and certain Russian individuals, and further sanctions (the scope and extent of which are currently unclear) may be imposed in the event of a further escalation of or prolonged hostilities in Ukraine. Such conditions may include higher inflation, higher interest rates, negative interest rates, declining access to credit, lower or stagnating wages, increasing unemployment, weakness in housing and real estate markets, changes in government regulatory, fiscal or tax policies, including changes in applicable tax rates and the modification of existing or adoption of new tax legislation with or without retrospective effect, sanctions regimes, removal of subsidies, reduced public spending, initiatives to address climate change or credit crises affecting disposable incomes, increases in fuel prices, weakness in energy markets or a loss of consumer confidence. Such conditions may have an adverse impact on the development of the technology sector and adversely impact the financial performance of companies and businesses that operate in the technology sector.

***The Company's ability to successfully complete an Acquisition may be materially and adversely affected as a result of the United Kingdom's exit from the European Union and wider disruption to trading arrangements, in particular between the UK and the EU***

On 31 January 2020, the UK formally left the European Union and has entered into a trade and cooperation agreement with the European Union, which regulates the UK's future relationship with the European Union, including on trade terms. Significant uncertainties, however, remain as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including among other things, the UK's financial regulation and the conduct of cross-border business. There is also uncertainty in relation to how, when and to what extent these developments will impact the economy in the United Kingdom and the future growth of its various industries, and on levels of investor activity and confidence on market performance and on exchange rates.

The Acquisition target may not operate exclusively (or at all) in Britain, in which case its success could be offset by general economic developments in other geographies. However, negative developments in, or the general weakness of, the British economy may negatively affect the financial conditions of the Acquisition target.

***The Company may be unable to retain or hire the personnel required pursuant to the Acquisition or to retain or hire the personnel required to support the Company***

The Company will look to the personnel with existing expertise in the acquired company or business to assist in the running and operations of the target following the Acquisition and to support the Company once it becomes the operator of the target. However, there can be no assurance that the relevant personnel required for these purposes will remain with the target company or business following Acquisition or that, if they depart, the Company will be able to replace such personnel with individuals of similar expertise and of a similar calibre. Any changes in personnel which result in a downgrading of the expertise or calibre of personnel, or headcount, available to operate the business may have a material adverse effect on the target company or business' operations, which means that following the Acquisition when in effect the operations of the target will be those of the Company, the adverse impact of such changes may affect the Company's business, financial condition or results of operations.

***Following the Acquisition, the Company will be a holding company whose principal source of operating cash will be income received from the business it has acquired***

Following the Acquisition, the Company will be dependent on the income generated by the acquired business to meet the Company's expenses. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such target's results of operations and financial condition, limits on dividends under applicable law and its constitutional documents and other factors which may be outside the control of the Company. If the acquired business is unable to distribute sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

***The Company may be subject to restrictions in offering its Ordinary Shares as a consideration for the Acquisition or may have to provide alternative consideration which may have an adverse effect on its operations.***

The Company may offer new Ordinary Shares or other securities, potentially in the form of fixed or floating rate loan notes which may or may not be convertible into Ordinary Shares, as consideration for the purchase of a target business in the Acquisition. However, in certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares in this manner or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a particular acquisition more costly which in turn may have an adverse effect on the results of operations of the Company and/or the ability of the Company to achieve its target return for Shareholders. As the jurisdiction in which the Acquisition will take place is not yet known, the details of such potential restrictions are also unknown; however, they may include local central bank currency controls and prohibitions regarding the issue of publicly traded securities not approved by local regulators. Such restrictions may make the Acquisition impractical to complete, as the proposed contractual consideration may be unable to be accepted by the vendor(s).

## **RISKS RELATING TO THE TECHNOLOGY SECTOR**

***A potential Acquisition target's business may face competition from a range of other companies***

A potential Acquisition target's competitors in the technology sector may have superior research and development capabilities, products, programming capability or sales and marketing expertise. Its competitors may also have significantly greater financial and human resources and may have more experience in research and development. As a result, the target's competitors may develop safer or more effective products, implement more effective sales and marketing programmes or be able to establish superior proprietary positions. In addition, it might also face increased competition in the future as new companies enter such target's markets and alternative products and technologies become available.

***Technological changes could overtake products being developed by the target***

The technology industry is subject to rapid technological change which could affect the commercial viability of an Acquisition target's products and make them obsolete or less competitive. The target may experience significant delays in releasing new or enhanced software products and its position in the market could be harmed and its revenue could be substantially reduced, which would adversely affect operating results. The target may be unable to successfully establish and protect its intellectual property which is significant to its competitive position.

***The Acquisition target may have an unsustainable customer base***

The market and/or sector which the Acquisition target operates in may be limited in potential customers either because the number of businesses operating in such markets requiring the use of such software are fewer than anticipated or the number of businesses that currently use such software reduce in number due to market conditions; this in turn would reduce the scalability of the business of the target which could impact on the Company's future potential growth or ability to attract more investment in the future.

***Technical software defects could harm revenue***

Products in the technology sector tend to be software based, and as such may contain undetected errors or failures when entering the market. Despite testing which may be performed by the Acquisition target and use by current and potential customers, defects and errors may be found in new software-based products after commencement of the offering of a network service using these products. In these circumstances, the target may be unable to successfully correct the errors in a timely manner or at all. The occurrence of errors and failures in such products could result in negative publicity and a loss of, or delay in, market acceptance of those products. Such publicity could reduce revenue from new licenses and lead to customer attrition.

### ***Intellectual property rights may be infringed or circumvented***

Technology businesses rely on a combination of goodwill, contractual rights, trademarks, trade secrets, patents and copyrights to establish and protect their intellectual property rights in their technology and products. Despite these measures, these intellectual property rights could be challenged, invalidated, circumvented or misappropriated. Competitors may independently develop technologies or products that are substantially equivalent or superior to the target's products or that inappropriately incorporate the target's proprietary technology into their products.

### ***The rapid development of technology and competition***

Although the market expects rapid development and commercial introduction of new products or product enhancements in the technology sector, the development of these products is difficult and the timeline for their release and availability can be uncertain. If the Acquisition target does not respond to the rapidly changing markets and rigorous needs of consumers by timely developing and releasing new products and services or enhancements that can respond adequately to new security threats, the target's competitive position and business prospects will be harmed. The target is therefore likely to have significant research and development expenses as it strives to remain competitive. New product development and introduction involves a significant commitment of time and resources and is subject to a number of risks and challenges.

### ***The Acquisition target may incur liability as a result of content published or made available through its products and services***

Technology businesses face claims relating to the content that is published or made available through their products and services. In particular, there is a risk of claims related to intellectual property rights, rights of publicity and privacy, illegal content and content regulation. The target could incur significant costs investigating and defending these claims.

### ***Dependence on other parties***

An Acquisition target may be reliant on other parties for the successful development and commercialisation of its products. An Acquisition target is, therefore, at risk of under-performance by third parties, exploitation by third parties of its commercial dependence and by unforeseen interruptions to third parties' businesses. The failure of a third party properly to carry out their contractual duties or regulatory obligations would be disruptive to the target's business. Further, any action taken by a third party that is detrimental to the target's reputation could have a negative impact on its ability to register its trademarks and/or market and sell its products.

## **RISKS RELATING TO THE ORDINARY SHARES**

### ***The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing***

A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section of this document entitled "Consequences of a Standard Listing" on page 25 of this document. Shareholders should note that as noted in that section, Chapter 10 of the Listing Rules does not apply to the Company and as such, the Company is not required to seek Shareholder approval for an Acquisition under this Chapter (although it may be required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons).

### ***Dividend payments on the Ordinary Shares are not guaranteed***

The Board will maintain a regular review of the Company's dividend policy. However, it is not intended that dividends will be paid to Shareholders in the near future (see further paragraph 6, *Dividend policy in Part I Information on the Company, Investment Opportunity and Strategy* below). The Company's ability to pay any dividend will depend on a number of factors, including its results of operations, financial condition and profitability, free cash flow and other factors considered relevant by the Directors. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of any such dividends.

### ***The Company may be unable or unwilling to transition to a Premium Listing in the future***

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of

corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would include a period of time after the Acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the difference in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on page 25 of this document.

Alternatively, in addition to or in lieu of seeking a Premium Listing, the Company may determine to retain a Standard Listing or to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

***Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in Ordinary Shares may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market for the Ordinary Shares may fall below the Subscription Price.

***There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares***

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior history when making their decision to invest. The price of the Ordinary Shares after issue can also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange or another suitable listing venue, it cannot assure shareholders that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

***Fluctuations and volatility in the price of Ordinary Shares***

Stock markets have from time-to-time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

***The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited***

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. A number of the Directors are not residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of a process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under the country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities law of countries other than the UK against the Directors who are residents the UK or of countries other than those in which judgment is made. In addition,

English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

***The Company is relying on transitional arrangements in relation to market capitalisation and may not be able to maintain its listing on the Official List following the Acquisition***

On 2 December 2021, the FCA published 'PS21/22: Primary Market Effectiveness Review: Feedback and final changes to the Listing Rules' (PS21/22), which confirmed an increase to the minimum market capitalisation (MMC) threshold for both the premium and standard listing segments of the Official List for shares in ordinary commercial companies from £700,000 to £30 million. The expected market capitalisation of the Company on Admission is £1,841,937, which is below the increased MMC of £30 million, as now set out in Listing Rule 2.2.7R(1). As described in PS21/22 there are transitional arrangements for certain companies and new applicants. Because the Company made a completed submission to the FCA for a listing eligibility review prior to 4.00 p.m. on 2 December 2021 to apply for listing based on the MMC of £700,000, and intends to apply to list on or before 2 June 2023 (i.e., within 18 months of the date the new rules apply), the transitional arrangements apply to the Company and therefore the Company expects to be eligible to admit its Ordinary Shares to the Official List based on the MMC of £700,000. If an application for Admission is not made on or before 2 June 2023, the transitional arrangements would no longer apply to it.

The Company will not be able to rely upon the transitional arrangements applicable to shell companies under the Listing Rules on the basis that the Company did not conclude a listing of its shares before 3 December 2021.

An Acquisition by the Company would constitute a Reverse Takeover and any subsequent acquisition or investments undertaken by the Company could also constitute a Reverse Takeover. In connection with any Reverse Takeover (or analogous transaction), the eligibility of the enlarged business for listing will need to be reassessed and the expected aggregate market value of all securities re-admitted to trading must be at least £30,000,000 to be eligible for a Standard Listing. In circumstances where the Company (as enlarged by the Acquisition) is unable to meet the MMC requirement, the Company could be required to cancel its Standard Listing and its securities will not be re-admitted to trading on the Main Market of the London Stock Exchange.

As a result, investors will hold shares in an untraded public company, in which trading in its shares is likely to be more illiquid. The Company cannot guarantee that an application would be made to admit the shares of the Company to another stock exchange.

## **RISK OF POTENTIAL DILUTION TO SHAREHOLDERS**

***The pre-emption rights in the Articles of the Company have been disapplied to facilitate the Acquisition and related transactions, and the Company may be required to raise cash through issuing substantial additional equity to complete the Acquisition, which are likely to substantially dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares***

Although the Company will receive the Subscription Proceeds and will on Admission be holding the Net Proceeds, the Directors believe that further equity capital raisings (including, potentially, the issue of convertible instruments or additional subscription rights, such as warrants, as an incentive to investors) may be required by the Company in order to complete the Acquisition, which may be substantial. The Directors have been generally authorised to issue Ordinary Shares, or grant rights to subscribe for, or convert any security into, Ordinary Shares up to a maximum aggregate nominal value of £100,000,000 (one hundred million pounds), to facilitate the Acquisition. Additionally, if the Company does offer its Ordinary Shares as consideration in making the Acquisition, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time. If a target has a large shareholder, the Company's issue of new Ordinary Shares may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant influence on the Company (to a greater or lesser extent depending on the size of its holding). In addition, in order to avoid triggering a mandatory bid under the City Code, the Company may, if appropriate, issue shares with limited or no voting rights for a period of time.

The pre-emption rights contained in the Articles have also been disapplied in relation to the issue of new Ordinary Shares for cash pursuant to the Subscription and otherwise in connection with: (a) an offer to holders of ordinary shares; (b) the allotment of securities in connection with any rights granted before Admission; (c) the Acquisition, or in connection with the restructuring or refinancing of any debt or other financial obligation relating to the Acquisition; and (d) up to an aggregate nominal amount of £50,000,000 (fifty million pounds) (otherwise than pursuant to (a) above). The disapplication of pre-emption rights could cause a Shareholder's percentage ownership in the Company to be reduced and the issuance of new

Ordinary Shares, or, as the case may be, other equity securities could also dilute the value of Ordinary Shares held by such Shareholder.

The extent of any potential scale of dilution is not capable of being ascertained as at the date of this document. Investors should note that a target valuation for an Acquisition cannot be determined at this stage and the Board will consider a wide range of opportunities. The Directors have not identified any target valuation for any transaction. The Directors are not required to obtain shareholder approval as a requirement for any Acquisition.

It is not therefore possible to provide an accurate guide to investors and Shareholders of total maximum dilution that may result from the Company undertaking an Acquisition. It would be appropriate for investors and Shareholders to assume that any Acquisition would be likely to result in substantial dilution to their interests on a pro-rata basis. Shareholders and investors should also have regard to the risk factor titled “Additional *Dilution of Shareholders on exercise of Warrants*” below, and Shareholders and investors may, following and conditional upon the completion of an Acquisition, experience further dilution as the result of the exercise of the Warrants.

**Additional dilution of Shareholders on exercise of Warrants**

Investors should be aware that as at the date of this Document, the Company has issued Directors and Management Warrants to the Directors and Senior Manager, and exercises of those securities may result in dilution to Shareholders. The detailed terms and conditions of the Directors and Management Warrants, including their vesting conditions and exercise period, are set out in paragraphs 4.12 and 11.2 of *Part VII: Additional Information* of this document. The Directors and Management Warrants will be not admitted to trading on any stock exchange.

The Company has, conditional upon Admission, granted Directors and Management Warrants to the Directors and the Senior Manager. The Directors and Management Warrants entitle the Directors and the Senior Manager to subscribe, following (and conditional upon) completion of an Acquisition, at the Subscription Price for such number of Ordinary Shares as is equal, in aggregate, to 5% of the number of new Ordinary Shares to be issued as consideration shares pursuant to the Acquisition. The Directors and Management Warrants will be exercisable for a period of two years from the date of completion of the Acquisition. Entitlements to subscribe for Ordinary Shares pursuant to the Directors and Management Warrants are allocated amongst the Directors and the Senior Manager as follows:

|                |             |
|----------------|-------------|
| Jason Smart    | 93.47%      |
| Jason Drummond | 0.71%       |
| Chris Disspain | 0.71%       |
| Peter Presland | 0.71%       |
| David Orchard  | 4.40%       |
|                | <b>100%</b> |

In addition, the Company agreed to grant to Broker Warrants, representing 2% of the gross proceeds of funds raised by SI Capital on completion of a Reverse Takeover at the issue price in respect of that Reverse Takeover.

Being a function of the target valuation for an Acquisition, and the number of consideration shares to be issued to complete it, the extent of any potential scale of additional dilution pursuant to the exercise of the Warrants is not capable of being ascertained as at the date of this document. It is therefore not possible to provide an accurate guide to investors and Shareholders of total maximum dilution that may result from the grant of the Warrants. It would be appropriate for investors and Shareholders to assume that the grant of the Warrants, when taken together with the issue of consideration shares pursuant to the underlying Acquisition, would be likely to result in substantial dilution to their interests on a pro-rata basis.

Until an Acquisition is completed, no additional dilution under the Warrants can occur. Other than the Warrants, as at the date of this document the Company has granted or issued no options, warrants or other rights to subscribe for, or convert into, Ordinary Shares.

***Some Existing Ordinary Shares were issued at discount to the shares issued on the Pre-IPO Financing and the Subscription Shares and investors will therefore have a greater risk of losing their investment and it will more difficult to realise a gain on their investment in comparison to the Founder who subscribed for Founder Shares***

On the date of this document, of the 34,416,667 Existing Ordinary Shares, the Company has in issue a total 21,250,000 Existing Ordinary Shares (being the Founder Shares) which were subscribed for by the Founder.

The Founder subscribed for Ordinary Shares at nominal value, being 1p each. Ordinary Shares that were issued as part of the Pre-IPO Financing were, and, Ordinary Shares that will be issued as part of the Subscription are to be, issued at the Subscription Price, which represents a premium of 200 per cent. of the price at which the Founder subscribed for Founder Shares. The Directors believe that there is a small prospect of investors losing on the value of their investment in circumstances where the Company is able to identify and complete an Acquisition, taking into account that the Company currently has no source of revenue or assets (other than cash). It would therefore be reasonable and natural to assume that an Acquisition and any subsequent improvements made to the operations of any acquired business or asset will lead to long term appreciation in the value of the Ordinary Shares, benefiting all Shareholders.

If the value of the Ordinary Shares on completion of an Acquisition does not exceed the Subscription Price and, for any reason, the Company is unable to increase the value of the price of Ordinary Shares following an Acquisition, investors will experience a loss in their investment. The Directors, acting in accordance with their fiduciary duties, will seek to complete an Acquisition they consider to be in the best interest of Shareholders as a whole.

In contrast, Jason Smart subscribed for his Existing Ordinary Shares at a discount to the Subscription Price and is therefore unlikely to suffer a loss on his original investment. Furthermore, if the price of the Ordinary Shares at the point of completing an Acquisition exceeds the nominal value of the Ordinary Shares, but is less than the Subscription Price, Jason Smart would still receive a gain on his investment, whilst investors would incur a loss.

## **RISKS ASSOCIATED WITH SUSPENSION, RE-ADMISSION AND COST OF COMPLIANCE WITH A STANDARD LISTING**

***The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules will be financially material***

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules will be financially material due to the Company's relatively small size on Admission. If the Company is unable to complete the Acquisition within 24 months of Admission, these costs may become difficult to sustain for a materially longer period. If the Acquisition is not completed before the date falling 24 months from Admission, then (unless the Acquisition has been previously announced but completes after the anniversary of Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to the Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continues to pursue the Acquisition for a further year. The Board's recommendation will then be put to a Shareholder vote. If a decision is made to continue to pursue the Acquisition for a further year, then further capital may need to be raised.

The listing of the Company's securities may be cancelled if the Company no longer satisfies its continuing obligations under the Listing Rules, which includes that a sufficient number of Ordinary Shares are in public hands, as defined in the Listing Rules, at all times.

***The FCA may decide to suspend the listing of the Ordinary Shares if the Company proposes making the Acquisition and the FCA determines that there is insufficient information in the market about the Acquisition which the Company proposes to make. Suspension of the Company's shares will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them***

It is the Company's duty under Listing Rule 5.6.6R to contact the FCA as early as possible before announcing a Reverse Takeover which has been agreed or is in contemplation (which would include any of the circumstances referred to in Listing Rule 5.6.7G), to discuss whether a suspension of the listing is appropriate. The FCA retains a general power, under Listing Rule 5.1.1.R(1), to suspend a company's securities where it considers it necessary to protect investors. The FCA may decide to exercise such power where the Company undertakes, or is contemplating undertaking, a transaction which, because of the comparative size of the Company and any target, would be a Reverse Takeover under the Listing Rules. The Listing Rules provide that generally when a Reverse Takeover is announced or leaked, there will be insufficient information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately, so suspension of trading in the listed company's securities will often be appropriate.

Any such suspension would be likely to continue until sufficient financial information on the transaction is made public and the period during which the Ordinary Shares would be suspended may therefore be significant. Depending on the nature of the Acquisition and the stage at which the fact of it becomes public or is announced, it may take a substantial period of time to compile the relevant information for the prospectus, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide, and the period during which the Ordinary Shares would be suspended may therefore be significant. A suspension of the Company's Ordinary Shares would materially reduce liquidity in such shares, which may affect a Shareholder's ability to realise some or all of its investment and/or the price at which such Shareholder can effect such realisation.

***The Company's re-admission to the Official List or other appropriate listing venue following a Reverse Takeover is subject to the Company as enlarged by the Acquisition being eligible for re-admission and the Company issuing a new prospectus or other required admission or listing document***

The Listing Rules provide that the listing of a company's equity securities will generally be cancelled when it completes a Reverse Takeover. If the FCA decided to cancel the Company's listing in such circumstances, the Company would expect to seek the admission to listing by way of a Standard Listing or admission to trading on another appropriate listing venue at the time of completion of any such Reverse Takeover subject to the Company as enlarged by the Acquisition being eligible for such listing. The process will require the preparation and issue of a new prospectus or other required admission or listing document. The Company intends that any Acquisition will result in the Company remaining eligible for listing on an appropriate securities market or stock exchange and would expect to seek the simultaneous re-admission to such listing at the time of completion of the Acquisition, but there can be no guarantee that the Company will successfully re-complete the listing process or do so in accordance with the time frame for the Acquisition. Any failure to re-list generally or at the time of the Acquisition may have a material adverse effect on the Company's business, financial condition or results of operations through the loss of access to capital markets to raise financing and/or the ability to issue listed consideration shares to complete an acquisition and potentially the failure to complete a transaction which may be conditional on a re-listing, together with a substantial unrecovered transaction costs. Additionally, a cancellation of the listing of the Company's Ordinary Shares would materially reduce liquidity in such shares which may affect a Shareholder's ability to realise some or all of its investment and/or the price at which such Shareholder can effect such realisation. Any alternative securities market or stock exchange on which the Company is eligible to list may not provide similar liquidity to a Standard Listing.

## **RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST**

***The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete the Acquisition***

None of the Directors are required to commit their full time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Company does not intend to have any executive officers or full-time employees prior to the completion of the Acquisition. The Directors are engaged in other business endeavours and are not obligated to devote any significant number of hours to the Company's affairs. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to complete the Acquisition.

***The Directors may in the future become affiliated with, or otherwise have financial interests in, entities engaged in business activities similar to those intended to be conducted by the Company and may have conflicts of interest in allocating their time and business opportunities***

Each of the Directors may in the future become affiliated with or have financial interests in entities, including certain special purpose acquisition companies, engaged in business activities similar to those intended to be conducted by the Company.

In addition, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company. In such instances they may decide to present these business opportunities to other entities with which they are or may be affiliated, in addition to, or instead of, presenting them to the Company. Due to these existing or future affiliations, the Directors may have fiduciary obligations to present potential acquisition opportunities to those entities prior to presenting them to the Company which could cause additional conflicts of interest.

The Company cannot provide any assurance that any of the Directors will not become involved in one or more other business opportunities that would present conflicts of interest in the time they allocate to the Company. In addition, the conflict of interest procedures described in Part II: *Directors and Corporate Governance* of this document may require or

allow the Directors and certain of their affiliates to present certain acquisition opportunities to other companies before they may present them to the Company.

***One or more Directors may negotiate employment or consulting agreements with a target company or business in connection with the Acquisition. These agreements may provide for such Directors to receive compensation following the Acquisition and as a result, may cause them to have conflicts of interest in determining whether a particular acquisition is the most advantageous for the Company***

The Directors may negotiate to remain with the Company after the completion of the Acquisition on the condition that the target company or business asks the Directors to continue to serve on the board of directors of the combined entity. Such negotiations would take place simultaneously with the negotiation of the Acquisition and could provide for such individuals to receive compensation in the form of cash payment and/or the securities in exchange for services they would render to it after the completion of the Acquisition. The personal and financial interests of such Directors may influence their decisions in identifying and selecting a target company or business. Although the Company believes the ability of such individuals to negotiate individual agreements will not be a significant determining factor in the decision to proceed with an acquisition, there is a risk that such individual considerations will give rise to a conflict of interest on the part of the Directors in their decision to proceed with an acquisition. The determination as to whether any of the Directors will remain with the combined company and on what terms will be made at or prior to the time of the Acquisition.

***The Directors may in the future enter into related party transactions with the Company, which may give rise to conflicts of interest between the Company and the Directors***

The Directors and one or more of their affiliates may in the future enter into other agreements with the company that are not currently under contemplation. It is possible that the entering into of such an agreement might raise conflicts of interest between the Company and the Directors.

Historical results of prior investments made by, or businesses associated with, the Directors and their affiliates may not be indicative of future performance of an investment in the Company

Shareholders are directed to the information set out in the descriptions of the Directors in Part II: *Directors and Corporate Governance*. The information set out therein is presented for illustrative purposes only and Shareholders are cautioned that historical results of prior investments made by, or businesses or transactions associated with, the Directors and their affiliates may not be indicative of the future performance of an investment in the Company or the returns the Company will, or is likely to, generate going forward.

## **RISKS RELATING TO TAXATION**

***Taxation of returns from assets located outside the UK may reduce any net return to Shareholders***

It is possible that any return the Company receives from any assets, company or business which the Company acquires and which is or are established outside the UK may be reduced by irrecoverable foreign taxes and this may reduce any net return derived by Shareholders from a shareholding in the Company.

***Changes in tax law may reduce any net returns for Shareholders***

The tax treatment of holders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices or in interpretation of the law in the UK or any other relevant jurisdiction. Any such change may reduce any net return derived by Shareholders from an investment in the Company.

***There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner***

It is intended that the Company will structure the group, including any company or assets acquired in any Acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions cannot be borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This will alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices or interpretation of the law could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage to the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns to Shareholders.

The risk factors listed above set out the material risks and uncertainties currently known to the Directors but do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to above materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares (issued and to be issued pursuant to the Subscription) to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings, and for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

The Company's Ordinary Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (shares)) and as a consequence a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which applies to all companies with their securities admitted to the Official list.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapters 2 and 14 of the Listing Rules, which specify the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 10% of the shares of the class must be distributed to the public. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares be admitted to trading on a regulated market at all times. Such companies must have at least 10% of the shares of any listed class in public hands at all times and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

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

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

The Company will comply with Chapter 5 of the Listing Rules (Suspending, cancelling and restoring listing and reverse takeovers). On completing a Reverse Takeover, the Company's existing Standard Listing will be cancelled and the Company intends to apply for a new Standard Listing or a listing on another appropriate securities market or stock exchange for the ordinary share capital of the Company. The granting of a new Standard Listing or a listing on another appropriate securities market or stock exchange following a Reverse Takeover cannot be certain. The Company may have its listing suspended in the event of a Reverse Takeover. These situations are described further in the "Risk Factors" section of this document.

On announcing a Reverse Takeover (or in the event of a leak of information prior to announcement), the Ordinary Shares would typically be suspended unless sufficient information was available to Shareholders and the wider market in the form of an approved new prospectus. This will be discussed with the FCA at the time. During the period of suspension, the Company would remain subject to the continuing obligations of a Standard Listing.

Note that the changes to the Listing Rules for special purposes acquisition companies, as introduced by the FCA on 10 August 2021, provide that in respect of eligible companies which satisfy a number of criteria, as set out in LR.5.6.18A G, the FCA may agree with the company that a suspension is not required on announcing a Reverse Takeover (or in the event of a leak of information prior to announcement) if such company has sufficient measures in place to protect investors and so that the smooth operation of the market is not temporarily jeopardised. Such provisions will not be applicable to the Company as it will not, on Admission, satisfy such criteria because, amongst other things, the aggregate gross cash proceeds received by Company in consideration for the listed shares issued by it to public shareholders (as required by LR

5.6.18A G(1)) is less than £100 million. Accordingly, the Company will remain subject to rebuttable presumption of suspension as set out in the immediately preceding paragraph and as described further in the “Risk Factors” section of this document.

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

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company does not have and does not intend to appoint such a sponsor in connection with its publication of this document, the Subscription or Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, *inter alia*, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information that are not applicable to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions, meaning that the Acquisition, and any subsequent additional acquisitions by the Company, will not require shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. However, the Company is obliged to comply with DTR7.3 relating to related party transactions. DTR7.3 requires the Company to establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a related party is in the ordinary course of business and has been concluded on normal market terms, and to (i) make an announcement (ii) gain board approval and (iii) ensure the related party or their associates do not vote in any resolution, relating to material related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

**IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY’S COMPLIANCE WITH ANY OF THE PREMIUM LISTING RULES (WHICH DO NOT APPLY TO THE COMPANY), NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.**

## **IMPORTANT INFORMATION, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND NOTICES TO INVESTORS**

In deciding whether or not to purchase Ordinary Shares, prospective purchasers should rely only on their own examination of the Company and/or the financial and other information contained in this document.

Purchasers of Ordinary Shares must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. Without prejudice to the Company's obligations under the FSMA, Prospectus Regulation Rules, Listing Rules and Disclosure Guidance and Transparency Rules, neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and has been approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. No arrangement has however been made with the competent authority in any member state of the EEA (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.

No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action being taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdictions. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

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

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

## **FORWARD-LOOKING STATEMENTS**

Some of the statements under “*Summary*”, “*Risk Factors*”, “*Part I: Information on the Company, Investment Opportunity and Strategy*” and elsewhere in this document include forward-looking statements which reflect the Company’s or, as appropriate, the Directors’ current views, interpretations, beliefs or expectations with respect to the Company’s financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company proposes to operate. Statements which include the words “expects”, “intends”, “plans”, “believes”, “projects”, “anticipates”, “will”, “targets”, “aims”, “may”, “would”, “could”, “continue”, “estimate”, “future”, “opportunity”, “potential” or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company’s actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company’s actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company’s ability to identify suitable acquisition opportunities or the Company’s success in completing an Acquisition and to propose effective growth strategies for any company or business the Company acquires;
- the Company’s ability to ascertain the merits or risks of the operations of a target company or business;
- the Company’s ability to deploy the Net Cash on a timely basis;
- changes in economic conditions generally (and specifically in the market in which any Acquisition is made);
- impairments in the value of the Company’s assets;
- the availability and cost of equity or debt capital for future transactions;
- changes in interest rates and currency exchange rate fluctuations, as well as the success of the Company’s hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed “*Risk Factors*”, which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document reflect the Company’s, or as appropriate, the Directors’ current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company’s future business, results of operations, financial conditions and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 12 of *Part VII: Additional Information* of this document.

These forward-looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Regulation Rules, MAR, the Listing Rules and the Disclosure Guidance and Transparency Rules and except as required by the FCA, the London Stock Exchange, the City Code or applicable law and regulations, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

## **NOTICE TO US SHAREHOLDERS AND SHAREHOLDERS IN CERTAIN RESTRICTED JURISDICTIONS**

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon

or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa except in accordance with the laws of such jurisdiction. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

#### **NOTICE TO UK SHAREHOLDERS**

In relation to the United Kingdom, no Ordinary Shares have been offered or will be offered pursuant to the Subscription to the public in that relevant state prior to the publication of this prospectus in relation to the Ordinary Shares which has been approved by the FCA in accordance with the UK Prospectus Regulation, except that offers of Ordinary Shares may be made to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or
- (c) in any other circumstances falling within Section 86 of FSMA,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant state means the communication in any form and by any means of sufficient information on the terms of the Subscription and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Subscription have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their resale in the United Kingdom to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

#### **NOTICE TO EEA SHAREHOLDERS**

In relation to each member state of the EEA (each, a “**relevant state**”) with effect from and including the date on which the Prospectus Regulation came into force in the relevant state (the “**relevant date**”), no Ordinary Shares have been offered or will be offered pursuant to the Subscription to the public in that relevant state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant state or, where appropriate, approved in another relevant state and notified to the competent authority in the relevant state, all in accordance with the Prospectus Regulation, except that with effect from and including the relevant implementation date, offers of Ordinary Shares may be made to the public in that relevant state at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the Prospectus Regulation) in such relevant state; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant state means the communication in any form and by any means of sufficient information on the terms of the Subscription and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Subscription have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their resale in a relevant state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

#### **NOTICE TO OVERSEAS SHAREHOLDERS**

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Company is incorporated under the laws of England and Wales and some of the Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

#### **NOTICE TO ALL SHAREHOLDERS**

Copies of this document will be available on the Company's website [www.ashingtoninnovationplc.com](http://www.ashingtoninnovationplc.com) from the date of this document until the date which is one month from the date of Admission.

#### **THIRD PARTY INFORMATION**

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

#### **DATA PROTECTION**

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

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and

- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

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

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

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

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

## **DEFINED TERMS**

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined or explained in *Part VIII: Definitions*, starting on page 133 of this document.

## **CURRENCY**

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

## **NO INCORPORATION OF WEBSITE TERMS**

Neither the content of the Company’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website or any other website is incorporated into, or forms part of, this document.

## **GOVERNING LAW**

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

## **VALIDITY OF PROSPECTUS**

The prospectus was approved on 1 June 2023 and is valid for a period of one year from that date. The prospectus will therefore cease to be valid on 1 June 2024. Should a significant new factor occur, or material mistake or inaccuracy be identified during the validity period, the Company would be required to issue a supplement in accordance with the Prospectus Regulation Rules. After the period of validity has expired, the Company is no longer under an obligation to issue such a supplement.

#### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|                                                                                                     |                       |
|-----------------------------------------------------------------------------------------------------|-----------------------|
| Publication of this document                                                                        | 1 June 2023           |
| Payment to be received from investors pursuant to the Subscription in cleared funds                 | 6 June 2023           |
| Admission and commencement of unconditional dealings in Ordinary Shares                             | 8 a.m. on 6 June 2023 |
| CREST members' accounts credited in respect of Ordinary Shares in uncertificated form               | 6 June 2023           |
| Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than | 20 June 2023          |

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

### SUBSCRIPTION STATISTICS

|                                                                                                                                             |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Number of Existing Ordinary Shares                                                                                                          | 34,416,667                 |
| Subscription Price                                                                                                                          | 3 pence per Ordinary Share |
| Number of Subscription Shares                                                                                                               | 26,981,233                 |
| Enlarged Share Capital in issue following the issue of the Subscription Shares and Admission                                                | 61,397,900                 |
| Percentage of Enlarged Share Capital represented by Subscription Shares                                                                     | 43.94%                     |
| Gross proceeds of the Subscription                                                                                                          | £809,437                   |
| Expenses of the Company associated with Admission and the Subscription                                                                      | £353,948                   |
| Net Proceeds receivable by the Company                                                                                                      | £455,489                   |
| Aggregate gross funds raised by the Company from the Founder's initial subscription, the Pre-IPO Financing and the Subscription             | £1,346,937                 |
| Aggregate expenses of the Company associated with the Founder's initial subscription, the Pre-IPO Financing, Admission and the Subscription | £639,807                   |
| Net Cash held by the Company at Admission                                                                                                   | £707,130                   |
| Expected market capitalisation of the Company on Admission at the Subscription Price                                                        | £1,841,937                 |

Subscription statistics assume the Subscription is fully subscribed.

### DEALING CODES

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

|       |              |
|-------|--------------|
| ISIN  | GB00BNM4K334 |
| SEDOL | BNM4K33      |
| TIDM  | ASHI         |

## DIRECTORS, AGENTS AND ADVISERS

|                               |                                                                                                                                                                                                                                                                                       |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors (all non-executive) | Peter Eric Presland ( <i>Non-executive Director and Chairman</i> )<br>Christopher Leonard Disspain ( <i>Non-executive Director</i> )<br>Jason Smart ( <i>Non-executive Director</i> )<br>Jason Kingsley Drummond ( <i>Non-executive Director</i> )<br>(All c/o the registered office) |
| Senior Manager                | David Orchard ( <i>General Counsel</i> )                                                                                                                                                                                                                                              |
| Company Secretary             | MSP Corporate Services Limited                                                                                                                                                                                                                                                        |
| Registered Office             | 27/28 Eastcastle Street<br>London<br>W1W 8DH<br>United Kingdom                                                                                                                                                                                                                        |
| Broker (from Admission)       | SI Capital Ltd<br>46 Bridge Street<br>Godalming, Surrey<br>GU7 1HL                                                                                                                                                                                                                    |
| UK Solicitors to the Company  | Fladgate LLP<br>16 Great Queen Street<br>London<br>WC2B 5DG                                                                                                                                                                                                                           |
| Auditors                      | Venthams Limited<br>Essex Office<br>Millhouse, 32-38 East Street<br>Rochford, Essex<br>SS4 1DB                                                                                                                                                                                        |
| Reporting Accountants         | UHY Hacker Young<br>Quadrant House<br>4 Thomas More Square<br>London E1W 1YW                                                                                                                                                                                                          |
| Registrar                     | Share Registrars Limited<br>The Courtyard<br>17 West Street<br>Farnham<br>Surrey<br>GU9 7DR                                                                                                                                                                                           |
| Bankers                       | Clydesdale Bank PLC<br>15th Floor<br>The Leadenhall Building<br>122 Leadenhall Street<br>London EC3V 4AB                                                                                                                                                                              |
| Website                       | <a href="http://www.ashingtoninnovationplc.com">www.ashingtoninnovationplc.com</a>                                                                                                                                                                                                    |

**PART I**  
**INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY**

**1. Introduction**

Ashington Innovation PLC is a newly-established company incorporated in England and Wales, formed for the purpose of acquiring a company or business in the technology sector that it would develop and grow.

The Company was incorporated on 21 July 2020 with an initial share capital of £0.01 divided into one Ordinary Share. On 8 April 2021, the Company raised £212,500 by the issue of 21,250,000 Ordinary Shares, fully paid up, to Director Mr Jason Smart. A trading certificate was issued on 20 May 2021. On 4 November 2021, the Company raised gross proceeds of a further £325,000 from certain early stage investors.

The Company has conditionally raised gross proceeds of a further £809,437 through the Subscription. The Company has not yet commenced operations and the Net Cash is expected to be used to finance all or a portion of the cash consideration for the identification and acquisition of a company or business in the technology sector as further described below. If the Directors deem appropriate and as required, the Company may subsequently seek to raise further capital for the purposes of the Acquisition.

The Board is responsible for the Company's objectives and business strategy and its overall supervision, including the approval of the Acquisition. The Board will also be responsible for the identification and evaluation of acquisition opportunities, the structuring and execution of the Acquisition and determination and execution of strategy for the acquired company or business. The Board has considerable experience in identifying and assessing acquisition targets and in executing such transactions. The Acquisition is required to establish the Company's presence in the technology sector and will form the basis of the Company's growth in that sector. It is not intended that the Company acquire minority stakes in any entities but that it acquires and operates technology businesses. An equity interest of less than 100% will, however be considered, in particular where opportunities to acquire controlling interests may not be possible.

The process of the Acquisition, being a Reverse Takeover, will require the Company's listing to be cancelled and for the Company as enlarged by the Acquisition to be re-admitted to the Official List or admitted to any other appropriate securities market or stock exchange. This process will require the Company to issue a further prospectus or listing or admission document giving details of the target of the Acquisition and the Company's business and activities as enlarged by the Acquisition, and to satisfy the eligibility criteria of the FCA or other stock exchange at that time. The Company will not seek Shareholder approval at a general meeting in respect of the Acquisition, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons.

**2. Background to the target sector and opportunity**

The Company confirms that the information extracted from third party sources in this Part has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

***Investment opportunity***

The Directors believe that in the increasingly fast-changing global environment there will be an abundance of opportunities to acquire existing businesses in the technology sector. Continuing turbulence in international markets combined with ongoing geopolitical uncertainty, increasing global interest rates, increasing costs (and shortages) of materials and increasing staff costs will in the opinion of the Directors create a substantial tightening of available funding for many businesses in the Company's target acquisition sectors leading to more opportunities to acquire businesses with significant growth potential at a material discount to asset value.

The Company intends to search initially for acquisition opportunities in the financial services technology ("fintech") and deep-technology ("deep tech") sectors. In particular, the Directors intend to seek businesses that possess and utilise proprietary technologies and own applicable intellectual property.

***Fintech***

"Fintech" is a portmanteau of the terms "finance" and "technology" and is the commonly used shorthand to refer to any business that uses technology to enhance or automate financial services and processes. The term encompasses a rapidly growing industry that serves the interests of both consumers and businesses in multiple ways, from mobile banking and insurance, to payment systems and platforms, to consumer lending, cryptocurrency, e-commerce and investment apps; as

such fintech has a wide variety of applications. The term also includes the use of new technologies by incumbent financial institutions. Well-known Western examples of fintech businesses include Stripe (payment processing), Revolut and Monzo (digital challenger banks), Klarna (consumer finance), Robin Hood (consumer broking), Wise (money transfer). Chinese tech firms have developed major digital money ecosystems or “super apps” including Ant Group, WeChat and Alipay, and other examples of digital banks and e-commerce firms can be found in South America and South East Asia.

Often governments and regulators are supportive of the development of fintech businesses as a way of creating new jobs and providing new financial services to consumers and business. For example, in the United Kingdom the FCA launched the regulatory “sandbox” in 2016 and, with the Bank of England, developed the New Bank Start-up Unit to provide information and support for those thinking of setting up a new bank in the UK; in February 2021 the Treasury published the Kalifa Review of UK Fintech, prepared by Ron Kalifa MBE, which included a number of policy, regulatory and other recommendations aimed at assisting the development of fintech businesses in the UK.

According to a report published by the Business Research Company in July 2020, the global fintech market reached a value of nearly \$111,240.5 million in 2019, having grown at a compound annual growth rate (CAGR) of 7.9% since 2015, and is expected to grow at a CAGR of 9.2% to nearly \$158,014.3 million by 2023. Also, the market is expected to grow to \$191,840.2 million in 2025 at a CAGR of 10.2% and to \$325,311.8 million in 2030 at a CAGR of 11.1%. The report also identified that growth in the historic period resulted from growth in the emerging markets, increased funding and investments in fintech startups, rising internet penetration, and increase in disposable income.

Going forward, increasing popularity of digital payments, increasing investments in blockchain technology due to its high efficiency in data management, exponential growth of e-commerce, and implications of COVID-19 are expected to drive the fintech market and the accelerated adoption of fintech products and services. To date in 2021, record amounts of venture capital funding have been allocated to fintech investments and M&A and IPO activity in the sector is at an all-time high.

#### Deep tech

Broadly speaking, the Directors define “deep tech” as encompassing technologies not necessarily focused on end-user services, including artificial intelligence/machine learning, robotics, blockchain, advanced material science, photonics and electronics, biotech and quantum computing; in other words, technology that is based on tangible engineering innovation or scientific advances and discoveries<sup>1</sup>.

Investment appetite in the deep tech sector and consequential investment opportunities has grown significantly in both in the US and Europe and continues to do so. U.K. capital investment in AI and Machine Learning alone has increased from £656 million to £1.97 billion within the last 5 years (see Figure 1, below).

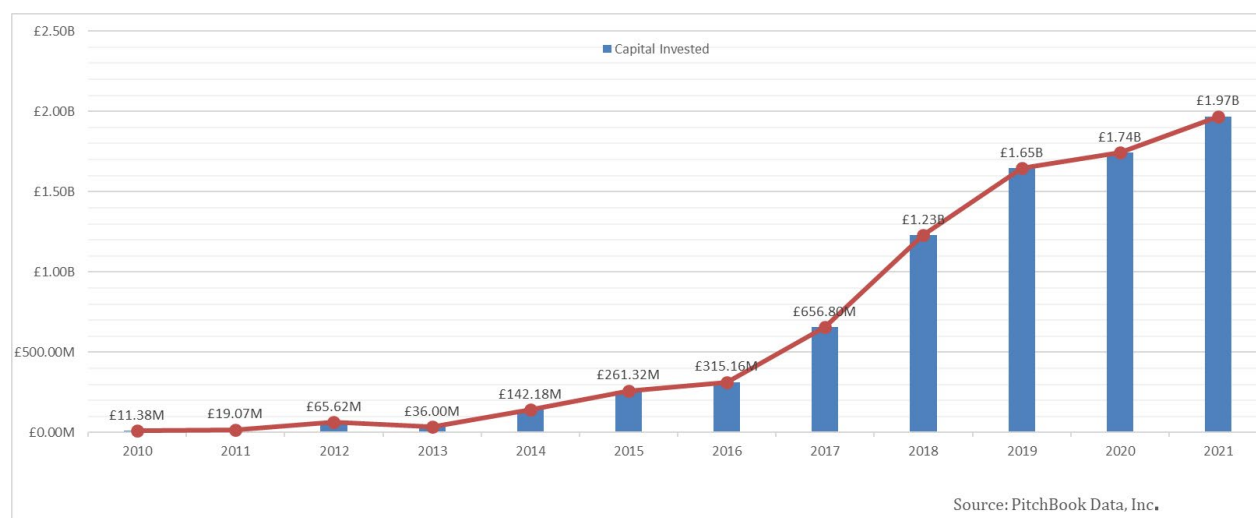


Figure 1: Capital Invested in Artificial Intelligence and Machine Learning in the U.K. (2010-2021)

<sup>1</sup> <https://www.techworks.org.uk/about/what-is-deep-tech>

According to a Dealroom and Sifted<sup>2</sup> report, European-founded deep tech companies are now valued at a combined €700 Billion, with the U.K, France and Germany being the industry leaders. Between 2015 – 2018, a private investment CAGR of 47% had been recorded for deep tech in the U.K alone<sup>3</sup>.

Biontech, a European-founded deep tech start-up, currently valued at \$22 billion, is an example of the success of long-term R&D investments in the European capital markets.

Despite a more exacting capital-building process for deep-tech start-ups compared to other tech start-ups, annual investment in this sector now runs at around €10 billion – roughly a quarter of European venture capital<sup>4</sup>.

The Directors will seek a significant acquisition which adds strategic value to its longer-term investment focus but will remain open to opportunities in earlier stage “scale-up” businesses.

Although the Company has been formed to undertake the Acquisition of a business in the technology sector, the Company may seek to simultaneously acquire one or more businesses that have complementary products or technology in order to create one larger company.

Initially the Directors and the Senior Manager will use their own research and their own network to identify potential targets from the technology sector and will use their expertise to assess propositions and then initiate discussions via market contacts and professional advisers. The Directors and the Senior Manager will use their personal networks and their professional advisors to invite prospective partners to come forward.

The Directors believe that the combination of circumstances referred to above, together with the skills and strengths of the Board and Senior Manager as referred to in Part II: *Directors and Corporate Governance* of this document, will enable the Company to identify a suitable opportunity for the Acquisition to generate Shareholder value in the Company.

### **3. Company objective, business strategy and execution**

#### ***Objective***

The Company’s objective is to generate an attractive rate of return for Shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the technology sector (in particular, the fintech and deep tech sectors) and operating the companies or businesses that it acquires. The Directors are responsible for carrying out this objective, implementing the Company’s business strategy and conducting its overall supervision.

The Directors’ intention is to create a trading business, rather than an investment entity. The Directors consider the potential vendors of target companies or businesses will be attracted by the opportunity to hold an interest in a London listed company with cash, access to capital markets and the know-how to develop the business.

#### ***Business strategy***

The Company will seek opportunities for the Acquisition in the technology sector (in particular, the fintech and deep tech sectors). The Company may seek to simultaneously acquire one or two businesses that have complementary people and technology in order to create one larger company. As at the date of this document, the Company has not identified any specific Acquisition target and does not expect to engage in negotiations with any target until after Admission. The Company’s intention is to acquire a controlling interest in target business(es) or company(s).

Whilst the Company intends to initially review a broad range of acquisition opportunities, once the Company carries out an Acquisition in a specific sector, it intends to focus its activities on that sector and to build its strategy in that sector. The Directors do not intend the enlarged group to become a holding company for projects in multiple sectors or to become an investment fund. The Company will not therefore, be pursuing a strategy or policy of diversification and spreading risk in its acquisitions.

Initially the Directors intend to use their own research with the support of the Senior Manager and external advisers to identify potential Acquisition targets and will use their experience to identify and assess potential targets that have a base of

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<sup>2</sup> <https://dealroom.co/uploaded/2021/01/EUST-Dealroom-Sifted-Deep-Tech-Jan-2021-1.pdf>

<sup>3</sup> <https://www.bcg.com/featured-insights/how-to/invest-in-deep-tech-startups>

<sup>4</sup> <https://dealroom.co/uploaded/2021/01/EUST-Dealroom-Sifted-Deep-Tech-Jan-2021-1.pdf>

broad assets that may include intellectual property and patents that are under-utilised. The Directors will use their and the Senior Manager's personal networks and those of their professional advisers to invite prospective partners to come forward.

In selecting Acquisition opportunities to review, the Board will focus on businesses that are available at attractive valuations and hold opportunities to unlock their intrinsic and under-utilised value. The acquisition strategy of the Company will be focussed on the identification and acquisition of companies or businesses which:

- have a sustainable development or technological advantage;
- have an above-average business potential;
- are run by management with a strong track record of generating growth for shareholders and a proven experience in the sector;
- have the potential to provide a platform for a scalable business which could generate substantial free cash flow over time;
- have the ability to grow with additional capital or be replicated in other markets;
- have sound intellectual property protection or potential for patenting; and
- can demonstrate definable milestones for development.

The criteria set out above are not intended to be exhaustive. Any evaluation relating to the merits of a particular Acquisition will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant to the Company's business objective and strategy by the Directors. The Company may decide to enter into an Acquisition with a target which does not meet all or some of the above criteria.

In all cases, opportunities should offer the ability for the shareholders of the Company to benefit from an Acquisition through increased shareholder value (measured in terms of profitability, potential for distribution of dividends or increase in the share price) in the medium to long term.

In seeking opportunities for the Acquisition, the Company's will not be bound by geographic location and will consider potential targets outside the UK. The Directors also will not exclude any target company with growth potential in any other sector.

In evaluating a prospect for the Acquisition, the Company expects to carry out an appropriate due diligence review (see *Due diligence*, below) and transaction analysis.

### **Execution**

In the first instance, the Company is seeking to make an acquisition within approximately 24 months of Admission which would be deemed a Reverse Takeover and to this end, the Company seeks to identify and acquire a company or business in the target sector, which it will thereafter operate. The Directors' preference is for the Company to acquire 100% of any potential target in the Acquisition, to obtain the full benefit of its growth prospects. The Company intends to acquire one company or business only in the Acquisition, but will review on an ongoing basis whether it is in the interests of the target acquired to pursue any add-on acquisitions to the Acquisition, in order to complement the Acquisition and further develop its business.

An equity interest of less than 100% will be considered, in particular where opportunities to acquire controlling interests may not be possible. The Company does not intend to acquire a portfolio of non-controlling interests but may invest where participation in an acquired company or business may result in enhancing shareholder value and where the participation of the Company in such companies or businesses is active rather than passive.

Whilst the precise form of consideration for the Acquisition cannot be determined at this time and will depend on a number of factors including the identity of the target the subject the Acquisition, market conditions and other factors outside of the Company's control, the Directors expect that funds from the Subscription will primarily be applied to the Acquisition, along with the Company's equity as part of a share-for-share acquisition. It is likely that the Company will require additional funding in order to successfully complete the Acquisition which may be sought as part of the acquisition process.

The initial equity capital base of the Company will be relatively small compared with the likely value of the Acquisition so it is anticipated that the Company will use Ordinary Shares as a material element of the consideration for the Acquisition. As the Acquisition is expected to be of a target valued at substantially more than the Company it will constitute a Reverse

Takeover, and a new prospectus and a new Standard Listing application (subject to the enlarged group satisfying the £30 million minimum market capitalisation requirement set in Listing Rule 2.2.7R(1)), or the appropriate listing or admission documentation in respect of the listing on an alternative securities market or stock exchange, will be required for the enlarged group. The Company does not currently expect to fund any specific Acquisition with debt, but may do so if appropriate.

The vendors of the Acquisition may receive a controlling stake in the Company as part of the transaction, which may well also result in a person or concert party owning 30% or greater of the then issued Ordinary Shares. As the vendors of the Acquisition are unlikely to be connected with the Company and/or own any Ordinary Shares, the Company would in such circumstances apply for dispensation under Rule 9 of the City Code, through a vote of independent Shareholders (known as a "Whitewash"). The Company would send a circular to Shareholders setting out the information required under the City Code for a Whitewash and will require their vote at a general meeting. The Company will not otherwise seek Shareholder approval at a general meeting in respect of the Acquisition, which will represent a Reverse Takeover, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons. It is expected that concurrently with the Acquisition the Company will need to raise new capital (which could be substantial) by making an offer of new Ordinary Shares for cash.

The Acquisition is more likely to be successfully completed if the vendors agreed to receive Ordinary Shares as a material element of the consideration and the Company is able to raise additional capital through the issue of new Ordinary Shares. It is likely that completion of the Acquisition will be contingent on these events.

As set out in more detail in Part II: *Directors and Corporate Governance*, the Board and the Senior Manager bring considerable expertise that is specifically relevant to this stage of the Company's development, i.e., in relation to identifying, assessing and executing the Acquisition, and negotiating and securing the required financing for the Acquisition. As at the date of this document, the Company has not engaged any agent or other representative to identify any suitable Acquisition target to or conduct research or take any measures for that purpose.

The current Board, with the assistance of the Senior Manager, has a focus on financial, transactional, legal and strategic expertise, and these are key strengths that they will bring to the enlarged business following the Acquisition. The Board believes that these are the most important areas of expertise for the Company at this stage of its development, where the focus is to identify, finance and execute the Acquisition. The Board believes that, with the assistance of the Company's Senior Manager, it will be able to determine quickly which opportunities could be viable and so progress swiftly to formal due diligence as appropriate.

To implement its investment strategy, the Company intends to leverage the Directors' and the Senior Manager's financial, technical, commercial and legal expertise, and to identify potential targets for the Acquisition through the Directors' and the Senior Manager's extensive network of contacts in the UK, Europe and Canada.

One of the key considerations when assessing the Acquisition will be the quality of the operational management. It would be expected that, following the Acquisition, one or more of the senior management team of the acquired company or business would join the Board in order to add operational expertise at that point, especially in relation to the Acquisition. Information on the new directors would be detailed in the prospectus or other listing document that will accompany a Reverse Takeover. Additional directors and management may also be recruited externally if the Board identifies such a requirement.

The Board will only pursue an Acquisition if it believes that the terms of the Acquisition offer an opportunity to the holders of the Ordinary Shares to achieve attractive returns. The Directors are incentivised to achieve such returns through an aggregate holding of (or interest in) 32,064,567 Ordinary Shares on Admission (see *Part VII: Additional Information* paragraph 10.1 for further information) subject to lock-in arrangements described in paragraph 11.5 of Part II: *Directors and Corporate Governance*.

Following completion of the Acquisition, the Company intends to implement a strategy designed to maximise Shareholder value by optimising the capital structure of the acquired activities, implementing disciplined operational improvements and strengthening management including through the services of the Directors and / or the Senior Manager who may assume executive roles.

## ***Due diligence***

Prior to any acquisition, including the Acquisition, the Company will undertake an appropriate due diligence exercise. This due diligence process will include a review of all relevant concerns regarding the target, as well as a consideration of the structure of the Acquisition. The process will be tailored to the individual situation and the relevant opportunity and it is not currently possible to ascertain with any degree of certainty the length of time and costs associated with such a process. However, the due diligence process would normally be expected as a minimum to include, among other things:

- meetings with incumbent management and employees;
- visits to sites and facilities;
- review of all key documents and arrangements of the target in order to produce a due diligence report addressing corporate, ownership or use of intellectual property, contractual and regulatory issues as well as broader legal information such as litigation, material contracts and relevant transactions; and
- a financial due diligence report setting out, in the case of a target with a trading history, the key points of any financial reports concerning the target for the preceding three years and any issues that have arisen from audits of that target. The report will also consider the financial controls and reporting procedures adopted in respect of the target investment and to be implemented on completion of the Acquisition. Close attention will be paid to the business plan proposed by any managers of the target and the associated working capital requirements.

## ***Assumptions***

The Company's objective and business strategy are based on a number of assumptions (including those which are set out in "Risk Factors"), including the following two key assumptions:

- the willingness of stakeholders in the target company or business (and/or of external investors) to accept or acquire shares in the Company as part of the Acquisition; and
- the availability of any potential Acquisition (which depends, in part, on the immediately above point).

## ***Regulatory Environment***

As a cash shell, the Company does not operate in a sector which is subject to a particular regulatory regime (over and above the regulatory regime governing companies incorporated in England and Wales) which would materially affect its business, nor are there any governmental, economic, fiscal, monetary or political policies or factors that have materially affected its business to date.

At the time the Company completes the Acquisition, the Company could become subject to the regulatory regime applicable to the sector in which the company or business it acquires operates. The Company further considers that there may be governmental, economic, fiscal or political policies or factors that could materially affect the Company's and the enlarged group's operations following such an acquisition, however as the general trend of such policies and factors are to encourage investment in, and growth of, the technology sector, the Company considers such factors will be positive for the Company's future operations. In any event, the Company will consider such matters in its overall assessment of the Acquisition.

## **4. The Company's competitive strengths**

The Directors believe that the Company should be well-placed to compete against other market participants of a similar size in the technology sector due to the collectively strong track record, understanding and experience of its Board and the Senior Manager in identifying, pursuing and maximising the potential of opportunities and the Directors' and the Senior Manager's extensive network of contacts, as outlined in this *Part I: Information on the Company, Investment Opportunity and Strategy* and in Part II: *Directors and Corporate Governance*. Additionally, the Company has considerable flexibility in how it would be able to finance the consideration for the Acquisition, which will include the Net Cash together with the potential to incur indebtedness and/or to issue further listed equity (whether to raise additional cash or as transaction consideration).

## **5. Use of proceeds**

The Net Proceeds to the Company amount to approximately £455,489 after deduction of fees and expenses payable by the Company relating to the Admission and the Subscription.

The Net Proceeds will be used to:

- pursue the Company's immediate and primary objective of initially identifying a suitable Acquisition and to subsequently undertaking legal, financial and tax due diligence on that acquisition (approximately £202,819); and
- working capital to cover the Company's ongoing annual operating costs, including:
  - professional fees (approximately £94,000)
  - registrar and secretarial fees (approximately £9,000)
  - London Stock Exchange fees (approximately £11,000)
  - staff salaries and directors' remuneration (approximately £54,000)
  - PR, marketing and promotions (approximately £30,000)
  - travel costs (approximately £11,000)
  - office expenses (approximately £13,000)
  - directors' and officers' liability insurance (approximately £20,000)
  - other sundry and contingency costs (approximately £12,000).

In addition, the Company raised £537,500 (gross) pursuant to the Founder's Initial Funding and the Pre-IPO Financing. Net of costs associated with the Founder's Initial Funding, the Pre-IPO Financing and the establishment of the Company, the proceeds of the Founder's Initial Subscription and the Pre-IPO Financing amounted to £251,641. This amount will be used as additional working capital for the pursuit of the Company's immediate and primary objective of identifying and conducting due diligence on a suitable Acquisition.

The Directors expect that it will be necessary to raise further funds in order to complete any Acquisition, including the fees of financial, tax, legal, accounting, technical and other advisers.

## **6. Dividend policy**

The Company intends that its cash resources will be used for the operation and development of the target acquired in the Acquisition and as such, no dividends are intended to be paid in the near future. Any earnings in the near future are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. The declaration and payment by the Company of any dividends and the amount thereof will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.

## **7. Reasons for Admission**

The Company is raising capital to fund the investigation of, due diligence in respect of, and evaluation of potential opportunities for, the acquisition of a company or business in the technology sector, in particular the financial services technology and deep-technology sectors. The Directors consider that the admission of the Company's shares to trading on the Main Market will be attractive both to investors under the Subscription and to the vendors of potential target companies or businesses as the Company executes its investment strategy, relative to the listing or admission of the Company's shares on a different exchange.

## **8. Share Capital Structure on Admission and Warrants**

On the date of this document, of the 34,416,667 Existing Ordinary Shares, the Company has in issue a total of 21,250,000 Ordinary Shares which were subscribed for at a subscription price equal to the nominal value, being £0.01, by the Founder (**Founder Shares**).

Ordinary Shares that were issued as part of the Pre-IPO Financing were, and Ordinary Shares that will be issued as part of the Subscription are to be, issued at the Subscription Price, which represents a premium of 200 per cent. of the price at which the Founder subscribed for Founder Shares.

On Admission, the Company will have in issue a total of 61,397,900 Ordinary Shares.

Additionally, the Company has, conditional upon Admission, granted Directors and Management Warrants to the Directors and the Senior Manager. The Directors and Management Warrants entitle the Directors and the Senior Manager to subscribe, following (and conditional upon) completion of an Acquisition, at the Subscription Price for such number of Ordinary Shares as is equal, in aggregate, to 5% of the number of new Ordinary Shares to be issued as consideration shares pursuant to the Acquisition. The Directors and Management Warrants will be exercisable for a period of two years from the date of completion of the Acquisition. Entitlements to subscribe for Ordinary Shares pursuant to the Directors and Management Warrants are allocated amongst the Directors and the Senior Manager as follows:

|                |             |
|----------------|-------------|
| Jason Smart    | 93.47%      |
| Jason Drummond | 0.71%       |
| Chris Disspain | 0.71%       |
| Peter Presland | 0.71%       |
| David Orchard  | 4.40%       |
|                | <b>100%</b> |

The Company has also agreed to grant to Broker Warrants, representing 2% of the gross proceeds of funds raised by SI Capital on completion of a Reverse Takeover at the issue price in respect of that Reverse Takeover.

Until an Acquisition is completed, no additional dilution under the Warrants can occur. Other than the Warrants, as at the date of this document the Company has granted or issued no options, warrants or other rights to subscribe for, or convert into, Ordinary Shares.

#### **9. Impact of Dilution from Admission and subsequent issues of Ordinary Shares**

The Founder Shares represent 61.74 per cent. of the Existing Ordinary Shares and, as a result of the issue of the Subscription Shares, the Existing Ordinary Shares (including the Founder Shares) will be diluted by 43.94 per cent. and the Founder Shares will represent 34.61 per cent. of the Enlarged Share Capital. The Founder and existing Shareholders will therefore experience significant dilution as a result of the Subscription and Admission.

Further to the granting of the Warrants (as discussed in paragraph 8 *Share Capital Structure on Admission and Warrants* of this Part I), the Company is proposing to undertake an Acquisition and it is important that investors and the existing Shareholders are aware that the Directors are unable to provide a clear statement of the consideration required to be paid to undertake that Acquisition. The Acquisition is likely to be financed largely or entirely from the issue of new Ordinary Shares (Acquisition Shares) and it is not therefore possible to forecast the number of new Acquisition Shares required to satisfy the payment of the consideration for an Acquisition. Being a function of the target number of Acquisition Shares, it is not therefore possible to forecast additional dilution pursuant to the exercise of the Warrants. The Directors therefore anticipate that a significant number of new Ordinary Shares will be issued as part of any future Acquisition (including pursuant to the Warrants) and Shareholders should be aware that completion of an Acquisition is likely to result in significant dilution to Shareholders.

## PART II

### DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

#### 1. The Board and the Directors

The Board currently comprises four Directors, who collectively have extensive experience and a proven track record in investment, corporate finance and business acquisition, operation and development and are well placed to implement the Company's business objective and strategy. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. The Company will not be externally managed and the Board will have full responsibility for its activities.

Details of the Directors are set out below:

##### **Peter Eric Presland, *Non-Executive Director and Chairman (age 73)***

Peter Presland has nearly 50 years of experience in business, much of that at the highest levels of management within both public and private companies.

A law graduate at King's College, University of London, he qualified as a Chartered Accountant with Arthur Andersen. In 1980, he joined C E Heath plc, a major FTSE 350 international insurance group, as Group Accountant and then Treasurer, and became in 1985 the youngest ever PLC Director when appointed Group Finance Director at the age of 34. During this period, he was responsible inter alia for many M&A transactions, including acquisitions and disposals (both types of transactions within the UK, US, Australia, Latin America and Europe), a substantial LSE merger, a £25m HQ property sale and leaseback, two syndicated loan facilities (US\$25M and £55m) and a £45m rights issue (96% subscribed).

He was promoted to become Heath's Group Chief Executive in 1990 to lead a significant strategy change, exiting Heath's insurance underwriting activities around the world. This involved sales in France (£5m) and Bermuda (US\$65m) and an IPO (cAS\$200m) on the ASX. In 1996, he devised and completed the demerger of C E Heath's computer services operations into a separate publicly listed company, Rebus Group plc, becoming its Chief Executive and in 1999 its Executive Chairman. He remained a NED on the Heath Board, concluding a sale of the residual Heath business in 1997 to an MBO for £120m. In 1999, he negotiated the sale of Rebus to US private equity interests for £185m, ensuring that 1996 Heath shareholders doubled their money in three years.

Since 2001, Peter has pursued a portfolio non-executive career, serving as a Chairman/NED on c20 private and public companies. These appointments include the first independent Chairmanship of LINK, the UK ATM network, in 2003 where he led a major corporate governance change and completed the merger of LINK with Voca, the provider of the BACS service, becoming Chairman of VocaLink in 2007. Among other appointments, from 2012 to 2015, he served as Chairman of the Audit and Governance Committee of East Kent Hospitals NHS Trust and in 2017 was appointed as Chairman of the Audit, Risk and Disclosure Committee of Redx Pharma PLC, an AIM listed company, where he still serves. In 2019, he was asked to become Chairman of the Governance and Finance Committee of The Lord's Taverners, a high-profile charity.

Mr Presland was appointed as a Director on 21 July 2020.

##### **Christopher Leonard Disspain, *Non-Executive Director (age 64)***

Chris is the chair of DNS Capital Ltd, a company that provides advice on strategy, policy, government relations, and crisis management to businesses around the world.

He chairs the management team at The Brooke Consultancy, a law firm and business advisory consultancy.

Chris was a member of the Board of the Internet Corporation for Assigned Names and Numbers (ICANN) from 2011 to 2020. He has been a member of or chaired numerous ICANN Board committees including Compensation, Audit, Finance, Executive and Governance and was Vice-Chair of the Board from 2017 until 2019.

Until Chris stood down in 2011, he was the Chair, from its foundation in 2004, of the Country Code Names Supporting Organisation representing the interests of the world's Internet country codes in the international policy arena.

From 2000 to 2016 Chris was the Chief Executive Officer of the manager and policy body of the Australian Internet country code.

From 2006 until 2012 he was appointed by the Secretary-General of the United Nations as a member of the UN's Advisory Group to the Internet Governance Forum.

Chris has a law degree. As a corporate lawyer in the U.K. and Australia he has experience in IPOs, prospectus issues, venture capital, take-overs, and mergers and acquisitions.

Chris has an FT Non-Executive Director Diploma.

In 1995 Chris co-wrote the book *Creating Your Fuller Life Map* which spawned a goal setting workshop franchised around the world and then an Internet based business.

Mr Disspain was appointed as a Director on 21 July 2020.

**Jason Smart, *Non-executive Director (age 43)***

Currently Amsterdam-based Fairfax Capital B.V.'s Managing Director, Jason Smart is a seasoned capital markets operator with over 15 years' experience. Over the course of his career, he has founded multiple companies including for EU financial services, and has a strong track record in bringing companies to market after seed / early investor financing rounds. Mr Smart has extensive knowledge of working alongside investment banks and legal advisers on acquisition, due diligence and structured finance deals, and having assisted in the creation of several high-profile IPOs, Jason's expertise in the sector is well-known and respected.

Mr Smart was appointed as a Director on 18 March 2021.

**Jason Kingsley Drummond, *Non-executive Director (age 53)***

Jason Drummond has an exceptional track record of founding and building successful companies, including 12 Internet and tech businesses over the last 19 years. He has also led the IPO of nine of his companies on European Stock Exchanges since 1999 and has had three of the best performing shares on the London Stock Exchange's AIM market.

He is the Founder & CEO of Gaming Technologies, inc ([Gametech.com](http://Gametech.com)), a gaming company specialising in building and scaling online gambling brands, through integrating leading third-party casino games and sports betting to its online brands. The Gaming Technologies, inc operates Vale, a licensed online casino and sportsbook in Mexico, through its website [vale.net](http://vale.net), which is provided in conjunction with a local license holder, The Fabulous Vegas Games S.A. de C.V.

In the gaming and gambling space, Mr Drummond founded Gaming Corporation plc (LSE:GMC), a leading internet media and gambling affiliate business focused on the gaming sector. In 2005, Gaming Corporation raised \$17.42 million and acquired Gambling.com for \$20 million. He also built *Casino.co.uk* from a domain name in 2001 to the UK's largest casino portal and sold it to Cryptologic Ltd for £3.62 million in cash in 2007. Around the same time, Mr Drummond co-founded Betex Group plc – a lottery management and technology company with a primary focus on mainland China – and listed it on the LSE's AIM market in 2006, raising £12.5 million, and reaching a market cap of £45.3 million on admission.

In the financial services space, Mr Drummond founded FairFX plc in 2005 – now Equals Group plc – and listed it on the LSE in 2014 (LON:EQLS). Equals Group is a leading challenger in the financial services sector with over 1 million combined business and retail customers. Annual turnover for 2019 exceeded £2.88 billion with £30.9 million in revenue.

He was also a Co-Founder and Director of Metacharge, an internet payment service provider that was acquired by LSE-listed PayPoint plc for £8.44 million in 2006. PayPoint is a leading international provider of convenient payment and value-added services, handling over £12 billion from 659 million transactions annually for more than 6,000 clients and merchants.

In the early days of the tech space, Mr Drummond founded Virtual Internet plc in 1999 – an online intellectual property protection, domain name and web hosting company – and listed it on LSE's AIM market that year, making it the first web hosting company to list on a primary European market. The company raised \$40.26 million in 2000 and moved to the official list of the London Stock Exchange. Virtual Internet was acquired in 2002 in a recommended cash offer by Register.com, Inc. (NASDAQ:RCOM), now Web.com Group, Inc., a leading provider of global domain name registration and internet services.

Subsequent tech ventures included Jason's idea for the .pro extension and the RegistryPro domain registry, which started as a joint venture between his company Virtual Internet plc and Register.com, Inc. in 2000. After winning approval that year from the Internet Corporation for Assigned Names and Numbers (ICANN), RegistryPro created the first-ever exclusive .pro domain extension.

Mr Drummond was appointed as a Director on 18 March 2021.

Further details of Directors' letters of appointments are set out in paragraph 10.5 of *Part VII: Additional information* of this document.

## **2. Senior Manager**

### **David Orchard, general counsel**

David Orchard is the President and co-founder of WGP Global, a London-based boutique corporate advisory firm serving UK and international clients. He started out as an international commercial litigator and is widely known for his advice to corporate and private clients. David has a wealth of experience across financing, IPR and regulatory matters, international regulation and fund structures. David is formally appointed as the Company's general counsel.

Further details of the Senior Manager's terms of appointment are set out in paragraph 10.5 of *Part VII: Additional information* of this document.

## **3. Independence of the Board**

None of the Directors are considered to be "independent" (using the definition set out in the Corporate Governance Code). It is intended that additional directors, both executive and non-executive, will be appointed at the time of the Acquisition and that independence will be one of the factors taken into account at that time.

## **4. Strategic decisions**

### **Members and responsibility**

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business both prior to and following an Acquisition. The Board will take appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules.

The Acquisition will be subject to Board approval. If the Acquisition is not completed within 24 months of Admission, then (unless the Acquisition has been previously announced but completes after the date falling 24 months from Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board's recommendation will then be put to a Shareholder vote.

## **5. Corporate governance**

As a company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code. However, in the interests of observing best practice on corporate governance, the Company intends to comply with the provisions of the Corporate Governance Code insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board, except that:

- given the size of the Board and the Company's current non-operational status, certain provisions of the Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the Chairman and chief executive and executive compensation), are not being complied with by the Company as the Board considers these provisions to be inapplicable to the Company at its current state;
- until an Acquisition is made the Company will not have separate audit and risk, nomination or remuneration committees. The Board as a whole will instead review audit and risk matters, as well as the Board's size, structure and composition and the scale and structure of the Directors' fees, taking into account the interests of Shareholders and the performance of the Company, and will take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. Following the completion of an Acquisition, the Board intends to put in place audit and risk, nomination and remuneration committees;

- the Corporate Governance Code recommends the submission of all directors for re-election at regular intervals. None of the Directors will be required to be submitted for re-election until the first annual general meeting of the Company following an Acquisition. Each of the Directors was appointed by resolutions of the Shareholders passed on 8 April 2021, and therefore, under the Articles and CA 2006, will not be required to submit themselves for re-election at the next annual general meeting of the Company; and
- the Board does not comply with the provision of the Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent. In addition, the Company has not appointed a senior independent director. The Company intends to appoint additional independent non-executive directors following the Acquisition so that the Board complies with these provisions.

The Company has adopted MAR-compliant policies regarding directors' dealings.

The Company will not seek Shareholder approval at a general meeting in respect of the Acquisition, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons.

## **6. Conflicts of interest**

### ***General***

Potential areas for Directors' conflicts of interest in relation to the Company include:

- the Directors are required to commit a limited amount of time to the Company's affairs and, accordingly, they may have conflicts of interest in allocating management time among various business activities;
- in the course of their other business activities, the Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they may become affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented;
- the Directors may in the future become affiliated with entities, including other special purpose acquisition vehicles, engaged in business activities similar to those intended to be conducted by the Company, which may include entities with a focus on target companies or businesses similar to those being sought by the Company; and
- the Directors may have a conflict of interest with respect to evaluating a particular acquisition opportunity if the retention or resignation of any of the Directors were included by a target company or business as a condition to any agreement with respect to the Acquisition.

Accordingly, each of the Directors may subsequent to Admission have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

The Directors may subsequent to Admission come to have other fiduciary obligations, including to other companies on whose board of directors they may join in the future. To the extent that they identify business opportunities that may be suitable for the Company or other companies on whose board of directors they may sit, the Directors will honour any pre-existing fiduciary obligations ahead of their obligations to the Company. Accordingly, they may refrain from presenting certain opportunities to the Company that come to their attention in the performance of their duties as directors of such other entities unless the other companies have declined to accept such opportunities or clearly lack the resources to take advantage of such opportunities.

Additionally, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company as well as the other entities with which they may become affiliated.

### ***Other conflict of interest limitations***

To further minimise potential conflicts of interest, in the event that the Company intends to acquire an entity that is an affiliate of any of the Directors (for example, an entity of which any Director is a director or significant shareholder), such Director shall not take part in any aspect of the Acquisition. Notwithstanding the provisions of the Articles, such Director shall not vote on any board decisions in relation to the Acquisition (nor shall they form part of the quorum required for any such board meetings).

The Directors are free to become affiliated with other entities engaged in similar business activities prior to its identifying and acquiring a target company or business. Each of the Directors has agreed that if such person or entity becomes involved following this date of this document and prior to the completion of the Acquisition with entities with similar acquisition criteria to the Company's, any potential opportunities that fit such criteria would first be presented to the Company.

## **7. Lock-in agreements**

Mr Jason Smart has undertaken to the Company that, other than in certain limited circumstances (including the completion of a Reverse Takeover), he will not, and will procure that any associated party will not, dispose of any interest he holds in the 21,250,000 Ordinary Shares subscribed by him (being the Founder Shares) (representing 34.61% the Enlarged Share Capital) until completion of the Acquisition, subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or death, or following or contemporaneously with the completion of a Reverse Takeover). On completion of the Acquisition, Mr Smart may dispose of, or procure that a party associated with him disposes of, up to 25% of the Founder Shares. Mr Smart may dispose of, or procure that a party associated him disposes of, the remaining Founder Shares, each time up to a further 25% of the total number of Founder Shares, upon the end of each of the following periods commencing on completion of the Acquisition: (i) three months, (ii) six months, and (iii) nine months. Further details of the lock-in agreements are set out in paragraph 11.5 of *Part VII: Additional Information* of this document.

## PART III THE SUBSCRIPTION

### Description of the Subscription

Under the Subscription, gross proceeds of £809,437 before expenses have been raised and 26,981,233 Subscription Shares have been subscribed by, and will, conditional on Admission, be issued to, investors at the Subscription Price of 3p per Ordinary Share. The cash expenses associated with the Subscription and Admission, and the incorporation, establishment and initial capitalisation of the Company are expected to be approximately £639,807, including irrevocable VAT. The Subscription will only be completed if the full £809,437 is raised. Together with the Founder's Initial Funding and the Pre-IPO Proceeds, the Net Cash available to the Company will be approximately £707,130

The Company intends to apply the Net Cash in pursuit of the objective set out in paragraph 3, *Company objective, business strategy and execution*, and in accordance with paragraph 5, *Use of proceeds* in *Part I: Information on the Company, Investment Opportunity and Strategy*.

The Subscription has been offered to investors in the United Kingdom and certain other jurisdictions. Conditional on Admission occurring on or prior to 6 June 2023 (or such later time and/or date as may be agreed by the Company), each investor under the Subscription has irrevocably agreed to acquire those Subscription Shares allocated to it and to pay the aggregate subscription price for such Subscription Shares. Such commitment may not be withdrawn other than on a failure by the Company to achieve Admission by such long-stop date.

The completion of the Subscription is conditional on Admission taking place. If Admission does not occur for any reason, any monies received from investors will be returned without interest. The Subscription is not being underwritten.

Confirmation of the completion of the Subscription will be announced via an RIS on Admission, which is expected to take place at 8.00 a.m. on 6 June 2023 (or such later time and/or date as may be agreed by the Company).

The Subscription Shares have been made available to institutional and certain non-institutional investors in the UK and certain other jurisdictions. In accordance with Listing Rule 14.2.2, at Admission at least 10% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

### Equity commitment of the Directors, major shareholders and significant investors

The Company was incorporated on 21 July 2020 with an initial share capital of £0.01 divided into one Ordinary Share. On 22 April 2021, the Company raised £212,500 by the allotment of 21,250,000 Ordinary Shares, fully paid up, to Director and Founder Mr Jason Smart. On 4 November 2021, the Company raised a further £325,000 by the allotment of 10,833,332 Ordinary Shares to certain early-stage investors, at a price of £0.03 per share, fully paid up. On 24 February 2022, the Company issued in aggregate 2,333,334 Ordinary Shares to certain Directors and the Senior Manager at a price of £0.03 per Ordinary Share, fully paid up.

The following table sets out, to the extent known to the Company, investments under the Subscription made by major Shareholders, members of the Company's management, supervisory or administrative bodies, and investor subscriptions for more than 5% of the Subscription Shares:

| Name                        | Ordinary Shares<br>as at the date of<br>this document | Ordinary Shares<br>being subscribed<br>for in the<br>Subscription | Percentage of<br>Subscription<br>Shares being<br>subscribed for | Percentage of<br>Ordinary Shares<br>held at Admission |
|-----------------------------|-------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|
| Jason Smart                 | 21,250,000                                            | 8,481,233                                                         | 31.43%                                                          | 48.42%                                                |
| Mohammed<br>Bakhashwain     | -                                                     | 7,833,333                                                         | 29.03%                                                          | 12.76%                                                |
| Edward Johnson              | -                                                     | 3,333,333                                                         | 12.35%                                                          | 5.43%                                                 |
| Chris Disspain <sup>1</sup> | 166,667                                               | 833,333                                                           | 3.09%                                                           | 1.63%                                                 |

|                            |           |           |       |       |
|----------------------------|-----------|-----------|-------|-------|
| David Orchard <sup>2</sup> | 1,000,000 | 1,500,000 | 5.56% | 4.07% |
|----------------------------|-----------|-----------|-------|-------|

Notes:

- <sup>1</sup> 1,000,000 Ordinary Shares are held as at the date of this document by Chris Disspain directly and 833,333 Ordinary Shares are expected to be subscribed for on Admission by DNS Capital Ltd, a company controlled by Chris Disspain.
- <sup>2</sup> 1,000,000 Ordinary Shares are as at the date of this document held by WGP Global Limited, a company controlled by David Orchard and 1,500,000 Ordinary Shares are expected to be subscribed for on Admission by Elaine Orchard, David Orchard's spouse.

### **Admission, dealings and CREST**

Application will be made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 6 June 2023 or such later time and/or date as may be agreed by the Company). Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

Application will be made for all the issued and to be issued Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the ordinary Shares following Admission may take place through CREST.

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application will be made for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares under the Subscription will receive Ordinary Shares in certificated form.

### **Selling and transfer restrictions**

The distribution of this Prospectus and the offering, issue and on-sale of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those described below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares may be offered for subscription, sale, purchase or delivery, and neither this Prospectus nor any other offering material in relation to the Ordinary Shares may be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

Further details of the selling and transfer restrictions are set out in *Important Information, Presentation of Financial and Other Information and Notices to Investors*.

## PART IV

### SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES

#### 1. Share capital

The Company was incorporated on 21 July 2020 in England and Wales under CA 2006 as a public limited company and its trading certificate was issued on 20 May 2021.

Details of the current issued share capital of the Company are set out in paragraph 4.3 of *Part VII: Additional Information*. As at Admission, the share capital of the Company is expected to be £1,416,937, divided into 61,397,900 issued Ordinary Shares of 1 pence each.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BNM4K334. The SEDOL number of the Ordinary Shares is BNM4K33. The LEI of the Ordinary Shares is 213800ZAKVIK5KORQ942.

#### 2. Financial position

The Company has not yet commenced operations. The financial information in respect of the Company as at 31 July 2021 (audited) and 31 July 2022 (audited) is set out in *Part VI: Financial Information on the Company*.

If the Subscription and Admission had taken place on 31 July 2022 (being the date as at which the most recent historical financial information contained in *Part VI: Financial Information on the Company* is presented):

- the net assets of the Company would have been significantly increased (due to the receipt of the Net Proceeds); and
- the liabilities of the Company would have increased due to (inter alia) the Directors' letters of appointment described at paragraph 10.5 of *Part VII: Additional Information* becoming effective, thereby committing the Company to pay fees thereunder as and when they fall due.

#### 3. Liquidity and capital resources

##### *Sources of cash and liquidity*

The Company's initial source of cash will be the balance of the net funds raised from certain directors and early-stage investors and the gross proceeds of the Subscription. It will initially use such cash to fund the expenses of Admission and the Subscription, including the expenses incurred in the incorporation and establishment of the Company, Admission and initial listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The Company projects these costs to be approximately £639,807 (including some irrevocable VAT). The Net Cash will be used to fund the costs and expenses to be incurred in connection with seeking to identify and effect an Acquisition. Additionally, to the extent any balance remains, the Company intends to use such Net Cash to fund (all or part of) the consideration for an Acquisition. The Net Cash will be in cash at the bank and will be available for deployment as necessary in due course.

The Company may raise additional capital from time to time. This may include capital to be raised in connection with an Acquisition or add-on acquisitions to the Acquisition. Such capital is expected to be raised through share issues (such as rights issues, open offers or private placings) or borrowings. As at the date of this document, the Company has no borrowings.

The Company may also, to the extent possible and in accordance with all relevant legal and regulatory requirements, make an Acquisition or fund part of an Acquisition through share-for-share exchanges.

In addition to capital raised from new equity, the Company may choose to finance all or a portion of an Acquisition with debt financing. The forms of debt financing to be used by the Company are expected to be limited to bank financing, although no such financing arrangements will be in place at Admission.

Debt financing for an Acquisition will be assessed with reference to the capacity of the target company or business to support gearing. Any such borrowings are expected to be incurred by the target (which, depending on the structure of an Acquisition, may become a subsidiary of the Company in due course). However, the Company retains flexibility to incur borrowings itself if it considers it appropriate in the relevant circumstances. Any costs associated with the debt financing are likely to be paid with the proceeds of such financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

As substantially all of the cash raised by the Company (including cash from subsequent share offers) will (or is expected to) be used in connection with an Acquisition, following an Acquisition the Company's future liquidity will depend in the medium to longer term primarily on: (i) the timing of any sale of the company or business it acquires; (ii) the Company's management of available cash; (iii) cash distributions on sale of existing assets; (iv) the use of borrowings, if any, to fund short-term liquidity needs; and (v) dividends or distributions from any subsidiary companies that become subsidiaries of the Company due to an Acquisition or future acquisitions.

### ***Ongoing costs and expenses***

The Company's principal use of the Net Cash will be to fund research and investigation, including due diligence, into suitable opportunities for acquisition that will fulfil the Company's objective, being to acquire a company or business in the technology sector. In addition, the Net Cash will be to fund the day-to-day expenses to be incurred by the Company.

The Net Proceeds to the Company amount to approximately £455,489 after deduction of fees and expenses payable by the Company relating to the Admission and the Subscription.

The Net Cash of approximately £707,130 (which includes the Net Proceeds) will be used to:

- pursue the Company's immediate and primary objective of initially identifying a suitable Acquisition and to subsequently undertaking legal, financial and tax due diligence on that acquisition (approximately £454,000); and
- working capital to cover the Company's ongoing annual operating costs, including:
  - professional fees (approximately £94,000)
  - registrar and secretarial fees (approximately £9,000)
  - London Stock Exchange fees (approximately £11,000)
  - staff salaries and directors' remuneration (approximately £54,000)
  - PR, marketing and promotions (approximately £30,000)
  - travel costs (approximately £11,000)
  - office expenses (approximately £11,000)
  - directors' and officers' liability insurance (approximately £20,000)
  - other sundry and contingency costs (approximately £12,000).

The Directors expect that it will be necessary to raise further funds in order to complete any Acquisition, including the fees of financial, tax, legal, accounting, technical and other advisers.

The Company's day-to-day expenses as well as transaction costs will be paid from the Net Cash and (following an Acquisition) revenue received through distributions or payments from any subsidiaries and, if the Company considers it appropriate or desirable for flexibility, through short-term borrowings (to the extent that it is able to effect such borrowings).

### ***Capitalisation and indebtedness***

As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

The Company's capitalisation and indebtedness financial information which has been extracted, without material adjustment, from the Company's unaudited management accounts and accounting books and records, and has been prepared on the same basis as the financial information included in Section Part VI of this document, is summarised below:

Shareholders' equity:

|                                      | <b>As at 30 April 2023</b><br>(unaudited) |
|--------------------------------------|-------------------------------------------|
|                                      | <b>£</b>                                  |
| (a) Share capital and premium        | 607,500                                   |
| (b) Legal reserve                    | -                                         |
| (c) Other reserves – retained losses | (710,464)                                 |
| Total Equity                         | <u>(102,964)</u>                          |

Net indebtedness:

|                                    | <b>As at 30 April 2023</b><br>(unaudited) |
|------------------------------------|-------------------------------------------|
|                                    | <b>£</b>                                  |
| Cash                               | 2,925                                     |
| Liquidity                          | <u>2,925</u>                              |
| Current financial receivable       | -                                         |
| Other current financial debt       | -                                         |
| Current financial debt             | -                                         |
| Net current financial indebtedness | -                                         |
| Net financial indebtedness         | <u>2,925</u>                              |

*Statement of material change*

There has been no material change to the Company's capitalisation and indebtedness since 30 April 2023.

**Accounting policies and financial reporting**

The Company's financial year end is 31 July, the first set of audited financial statements have been prepared for the period to 31 July 2021 and a further set of audited financial statements have been prepared for the year to 31 July 2022. The Company presents its financial statements in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**Dividend policy**

The Company intends that its cash resources will be used for the acquisition of a company or business and development of that company or business following Admission as such, no dividends are intended to be paid in the short term. Any earnings in the short term are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. Therefore, the Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company

does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Company of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. The Company has not paid any dividends to date.

## **PART V TAXATION**

### **United Kingdom Taxation**

The comments set out below are based on the current UK tax law and what is understood to be current HMRC practice which are subject to change at any time (potentially with retrospective effect). They are intended as a general guide only and apply only to Shareholders who are resident and domiciled (in the case of individuals) and resident (in the case of companies) for tax purposes in (and only in) the UK (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments (other than under an individual savings account (ISA)) or pension arrangement and who are the absolute beneficial owners of those Ordinary Shares and any dividends paid thereon.

It is not intended to be, nor should it be construed as legal or tax advice.

The comments set out below are a summary only of certain aspects of tax in the UK and do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

**The tax legislation of the investor's jurisdiction of residency and/or domicile and of the issuer's country of incorporation, being the United Kingdom, may have an impact on the income received from the Ordinary Shares. Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.**

### **Taxation of dividends**

The Company will not be required to withhold tax at source on any dividends it pays to its Shareholders.

Dividends paid on the Ordinary Shares to the individuals resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK through a branch or agency and who hold Ordinary Shares for the purposes of such trade, profession or vocation, or for such branch or agency, may be liable to income tax. Each individual has a tax-free dividend allowance which exempts the first £1,000 in 2023/24 and £500 in 2024/25 (**Nil Rate Amount**) of dividend income. Dividend income in excess of the tax-free allowance will be liable to income tax in the hands of individuals at the rate of 8.75% to the extent that it is within the basic rate band, 33.75% to the extent that it is within the higher rate band and 39.35% to the extent it is within the additional rate band.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits - and will therefore impact on the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

### **Disposals of Ordinary Shares**

The following paragraphs summarise the tax position in respect to a disposal of Ordinary Shares on or after 6 April 2016 by a Shareholder resident for tax purposes in the United Kingdom.

A disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders who are United Kingdom tax resident or only temporarily non-United Kingdom tax resident, capital gains tax at the rate of 10% for basic rate taxpayers or 20% for higher or additional rate taxpayers may be payable on any gain (after any available exemptions, reliefs or losses). For Shareholders that are bodies corporate any gain may be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances.

For trustee Shareholders of a discretionary trust who are United Kingdom tax resident, capital gains tax at the rate of tax of 20% may be payable on any gain (after any available exemptions, reliefs or losses).

Non-United Kingdom resident Shareholders will not normally be liable to United Kingdom taxation on gains unless the Shareholder is trading in the United Kingdom through a branch, agency or permanent establishment and the Ordinary Shares are used or held for the purposes of the branch, agency or permanent establishment.

### **Inheritance Tax**

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Holders of shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any shares in the Company through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

### **Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

The statements below summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. Certain categories of person are not liable to Stamp Duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business.

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares, other than as explained below.

The transfer on sale of Ordinary Shares will generally be liable to ad valorem Stamp Duty at the rate of 0.5% (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5% of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5% of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

**PART VI**  
**FINANCIAL INFORMATION ON THE COMPANY**  
**(A) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY**  
**FOR THE PERIOD FROM 31 JULY 2022 to 31 JANUARY 2023 (UNAUDITED)**

**ASHINGTON INNOVATION PLC**  
**UNAUDITED**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JANUARY 2023**

## ASHINGTON INNOVATION PLC

### COMPANY INFORMATION

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|                          |                                                                                                       |
|--------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Directors</b>         | C L Disspain<br>P E Presland<br>J Smart<br>J K Drummond                                               |
| <b>Company secretary</b> | MSP Corporate Services Limited                                                                        |
| <b>Registered number</b> | 12758732                                                                                              |
| <b>Registered office</b> | 27/28 Eastcastle Street<br>London<br>W1W 8DH                                                          |
| <b>Accountants</b>       | Venthams<br>Chartered Accountants<br>Millhouse<br>32 - 38 East Street<br>Rochford<br>Essex<br>SS4 1DB |

# ASHINGTON INNOVATION PLC

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**ASHINGTON INNOVATION PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 JANUARY 2023**

|                                                  | <b>2023</b>            | <b>2022</b>             |
|--------------------------------------------------|------------------------|-------------------------|
|                                                  | <b>£</b>               | <b>£</b>                |
| Administrative expenses                          | <b>(66,533)</b>        | <b>(381,450)</b>        |
| <b>Operating loss</b>                            | <b>(66,533)</b>        | <b>(381,450)</b>        |
| <b>Loss for the financial period</b>             | <b><u>(66,533)</u></b> | <b><u>(381,450)</u></b> |
| <b>Other comprehensive income for the period</b> |                        |                         |
| <b>Total comprehensive income for the period</b> | <b><u>(66,533)</u></b> | <b><u>(381,450)</u></b> |

**ASHINGTON INNOVATION PLC**  
**REGISTERED NUMBER:12758732**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2023**

|                                                | Note | 31 January<br>2023<br>£ | 31 July<br>2022<br>£ |
|------------------------------------------------|------|-------------------------|----------------------|
| <b>Current assets</b>                          |      |                         |                      |
| Debtors: amounts falling due within one year   | 3    | 8,070                   | 6,600                |
| Cash at bank and in hand                       | 4    | 27,462                  | 136,553              |
|                                                |      | <u>35,532</u>           | <u>143,153</u>       |
| Creditors: amounts falling due within one year | 5    | (85,722)                | (126,810)            |
| <b>Net current (liabilities)/assets</b>        |      | <u>(50,190)</u>         | <u>16,343</u>        |
| <b>Total assets less current liabilities</b>   |      | <u>(50,190)</u>         | <u>16,343</u>        |
| <b>Net (liabilities)/assets</b>                |      | <u><u>(50,190)</u></u>  | <u><u>16,343</u></u> |
| <b>Capital and reserves</b>                    |      |                         |                      |
| Called up share capital                        |      | 344,167                 | 344,167              |
| Share premium account                          |      | 263,333                 | 263,333              |
| Profit and loss account                        |      | (657,690)               | (591,157)            |
|                                                |      | <u><u>(50,190)</u></u>  | <u><u>16,343</u></u> |

The interim financial statements were approved and authorised for issue by the board and were signed on its behalf by

**P E Presland**  
Director

**ASHINGTON INNOVATION PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JANUARY 2023**

|                                                     | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity    |
|-----------------------------------------------------|----------------------------|-----------------------------|----------------------------|-----------------|
|                                                     | £                          | £                           | £                          | £               |
| <b>At 1 August 2021</b>                             | 212,500                    | -                           | (209,707)                  | 2,793           |
| <b>Comprehensive income for the year</b>            |                            |                             |                            |                 |
| Loss for the year                                   | -                          | -                           | (381,450)                  | (381,450)       |
| <b>Contributions by and distributions to owners</b> |                            |                             |                            |                 |
| Shares issued during the year                       | 131,667                    | 263,333                     | -                          | 395,000         |
| <b>At 1 August 2022</b>                             | 344,167                    | 263,333                     | (591,157)                  | 16,343          |
| <b>Comprehensive income for the period</b>          |                            |                             |                            |                 |
| Loss for the period                                 | -                          | -                           | (66,533)                   | (66,533)        |
| <b>At 31 January 2023</b>                           | <u>344,167</u>             | <u>263,333</u>              | <u>(657,690)</u>           | <u>(50,190)</u> |

## ASHINGTON INNOVATION PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2023

#### 1. General information

Ashington Innovation PLC is a public Company limited by shares, incorporated in England & Wales. Its registered office is 27/28 Eastcastle Street, London, W1W 8DH.

The Company prepares statutory financial statements to 31 July each year and has prepared interim financial statements for the 6 month period ended 31 January 2023 as shown here.

The principal activity of the company is that of a Special Purpose Acquisition Company.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

All accounting policies applied in the preparation of the management accounts are consistent with those of the statutory financial statements filed at Companies House.

##### 2.2 Going concern

The Directors believe that the adoption of the going concern basis of accounting is appropriate. The accompanying financial statements do not include any adjustments that would be required if they were not prepared on a going concern basis

#### 3. Debtors

|                                | 31 January<br>2023<br>£ | 31 July<br>2022<br>£ |
|--------------------------------|-------------------------|----------------------|
| Other debtors                  | 8,070                   | -                    |
| Prepayments and accrued income | -                       | 6,600                |
|                                | <u>8,070</u>            | <u>6,600</u>         |

#### 4. Cash and cash equivalents

|                          | 31 January<br>2023<br>£ | 31 July<br>2022<br>£ |
|--------------------------|-------------------------|----------------------|
| Cash at bank and in hand | 27,462                  | 136,553              |
|                          | <u>27,462</u>           | <u>136,553</u>       |

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

|                                    | <b>31 January<br/>2023<br/>£</b> | <b>31 July<br/>2022<br/>£</b> |
|------------------------------------|----------------------------------|-------------------------------|
| Trade creditors                    | <b>6,600</b>                     | 9,258                         |
| Other taxation and social security | <b>27</b>                        | 787                           |
| Other creditors                    | <b>9,437</b>                     | 9,437                         |
| Accruals and deferred income       | <b>69,658</b>                    | 107,328                       |
|                                    | <b><u>85,722</u></b>             | <u>126,810</u>                |

**6. Controlling party**

The Company's ultimate controlling party is J Smart by virtue of his majority shareholding.

**(B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY  
FOR THE PERIOD TO 31 JULY 2022 (AUDITED)**

**ASHINGTON INNOVATION PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**



## ASHINGTON INNOVATION PLC

### COMPANY INFORMATION

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|                             |                                                                                                                            |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>            | C L Disspain<br>P E Presland<br>J Smart<br>J K Drummond                                                                    |
| <b>Company secretary</b>    | MSP Corporate Services Limited                                                                                             |
| <b>Registered number</b>    | 12758732                                                                                                                   |
| <b>Registered office</b>    | 27/28 Eastcastle Street<br>London<br>W1W 8DH                                                                               |
| <b>Independent auditors</b> | Ventham's<br>Chartered Accountants & Statutory Auditor<br>Millhouse<br>32 - 38 East Street<br>Rochford<br>Essex<br>SS4 1DB |

# ASHINGTON INNOVATION PLC

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**ASHINGTON INNOVATION PLC**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 JULY 2022**

---

**Introduction**

The Directors present their report and financial statements for the period ended 31 July 2022.

**Business review**

Ashington Innovation PLC is a Special Purpose Acquisition Company (SPAC). It is presently in the process of seeking FCA approval for the listing of its shares on the Main Market of the London Stock Exchange - Standard Segment.

The Company's objective is to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the technology sector (in particular, the fintech and deep tech sectors) and operating the companies or businesses that it acquires. The Directors are responsible for carrying out this objective, implementing the Company's business strategy and conducting its overall supervision.

The Company may seek to simultaneously acquire one or two businesses that have complementary people and technology in order to create one larger company. As at the date of this Annual Report, the Company has not identified any specific acquisition target and does not expect to engage in negotiations with any target until after the listing. The Company's intention is to acquire a controlling interest in target business(es) or company(ies).

Whilst the Company intends to initially review a broad range of acquisition opportunities, once the Company carries out an acquisition in a specific sector, it intends to focus its activities on that sector and to build its strategy in that sector. The Directors do not intend the enlarged group to become a holding company for projects in multiple sectors or to become an investment fund. The Company will not therefore, be pursuing a strategy or policy of diversification and spreading risk in its acquisitions.

The Directors' intention is to create a trading business, rather than an investment entity. The Directors consider the potential vendors of target companies or businesses will be attracted by the opportunity to hold an interest in a London listed company with cash, access to capital markets and the know-how to develop the business.

## ASHINGTON INNOVATION PLC

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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#### Principal risks and uncertainties

##### Transaction risk

Although the Company has no history of trading and no current trading activities, its placing shares will be issued at a premium to the net asset value of the Ordinary Shares. In addition the Company has limited cash resources which will diminish over time owing to the Company's operating costs, particularly in the period before an acquisition is completed.

##### The Company is dependent on the Directors to identify suitable acquisition opportunities

The Company is dependent on the Directors to identify suitable acquisition opportunities. Whilst the Directors have considerable relevant experience of acquiring companies, businesses and assets in the nature of those that the Company will seek to acquire, there is a risk that the Directors may not be able to source suitable targets or execute an acquisition, and that any targets identified may not fully align with the Company's objectives and business plans.

##### Economic uncertainties

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of an acquisition target will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

##### Going Concern

As at 31 July 2022, the Company has cash at bank of £136,553, but made a loss for the year ended at that date of £381,450 and has an accumulated deficit on the profit and loss account of £591,157. The Company was established as a Special Purpose Acquisition Company and is presently in the process of seeking to list its shares on the Main Market of the London Stock Exchange. The Company is unlikely to make any profit until the successful completion of a suitable acquisition.

Further funding is required under the Company's long-term plan to continue to seek acquisition candidates, and the Company plans to raise significant further equity capital either from existing or new investors. However, the plans to raise additional equity capital are dependent upon the approval of the FCA to admit the Company's equity shares for listing on the London Stock Exchange. This approval, together with the subsequent investment by existing and new shareholders, and the successful completion of a suitable acquisition are all matters that are not entirely within the control of the Directors, and represent material uncertainties regarding the Company's ability to continue as a going concern.

As referred to in Accounting Policy 2.2 Going Concern, the Directors believe that the adoption of the going concern basis of accounting is appropriate. The accompanying financial statements do not include any adjustments that would be required if they were not prepared on a going concern basis.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

#### Financial key performance indicators

Based on this being only the second year of operating and the Company being a SPAC, the Directors consider there to be no current financial key performance indicators. These will be reassessed when the Company obtains its listing status, and an acquisition is completed.

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## ASHINGTON INNOVATION PLC

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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#### Other key performance indicators

As above, the Directors do not consider there to be any other key performance indicators at present. The sole focus is on obtaining the listing status.

#### Directors' statement of compliance with duty to promote the success of the Company

During the period, the Directors have acted to promote the success of the Company for the benefits of its members.

While discharging their duties, section 172 (1) requires the Directors to have regard to, amongst other matters, the;

- Likely long-term consequences
- Business relationships with suppliers
- Impact on the community and environment
- Reputation for high standard of business conduct
- Need to act fairly between members of the company

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

The Directors have and will continue to provide leadership within a framework of appropriate and effective controls. The Directors operate and monitor the corporate governance values of the Company and have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company, and reviewing the performance of the officers and management of the Company's business both prior to and following an acquisition.

This report was approved by the board and signed on its behalf.

**P E Presland**  
Director

Date: 31 January 2023

**ASHINGTON INNOVATION PLC**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 JULY 2022**

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The Directors present their report and the financial statements for the year ended 31 July 2022.

**Directors' responsibilities statement**

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The loss for the year, after taxation, amounted to £381,450 (2021 - loss £209,707).

**Directors**

The Directors who served during the year were:

C L Disspain  
P E Presland  
J Smart  
J K Drummond

**Future developments**

As referred to in the Strategic report the Company is in the process of seeking approval for the listing of its shares on the Main Market of the London Stock Exchange.

**ASHINGTON INNOVATION PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2022**

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**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no material post balance sheet events outside of the Company's normal trading transactions.

The auditors, Venthams, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**P E Presland**  
Director

Date: 31 January 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC

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**Opinion**

We have audited the financial statements of Ashington Innovation Plc (the 'Company') for the year ended 31 July 2022, which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which indicates that due to its nature of trade, the Company will need to raise additional finance through investments by existing and or new shareholders so that the Company can admit the equity shares for listing on the London Stock Exchange. However, raising the required finance will be dependent upon the Company, as a Special Purpose Acquisition Company, obtaining the necessary FCA approval to admit the Company's equity shares for listing, without which the company will not be able to fulfil its primary objectives in acquiring other business entities and would not therefore be considered to be a Going Concern. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## **ASHINGTON INNOVATION PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC (CONTINUED)**

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#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**ASHINGTON INNOVATION PLC**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC  
(CONTINUED)**

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In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## ASHINGTON INNOVATION PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC (CONTINUED)

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#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements.
- Those laws and regulations directly involved in the FCA granting approval to allow for shares to be listed on the London Stock Exchange and laws and regulations following any successful listing.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## ASHINGTON INNOVATION PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC (CONTINUED)

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#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Trevor McCarthy (senior statutory auditor)

for and on behalf of  
**Venthams**

Chartered Accountants  
Statutory Auditor

Millhouse  
32 - 38 East Street  
Rochford  
Essex  
SS4 1DB

Date: 31 January 2023

ASHINGTON INNOVATION PLC

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2022

|                                                | 2022<br>£        | 2021<br>£        |
|------------------------------------------------|------------------|------------------|
| Administrative expenses                        | (381,450)        | (209,707)        |
| <b>Operating loss</b>                          | <b>(381,450)</b> | <b>(209,707)</b> |
| <b>Loss for the financial year</b>             | <b>(381,450)</b> | <b>(209,707)</b> |
| <b>Other comprehensive income for the year</b> |                  |                  |
| <b>Total comprehensive income for the year</b> | <b>(381,450)</b> | <b>(209,707)</b> |

**ASHINGTON INNOVATION PLC**  
**REGISTERED NUMBER:12758732**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2022**

|                                                |      | 2022                 | 2021                |
|------------------------------------------------|------|----------------------|---------------------|
|                                                | Note | £                    | £                   |
| <b>Current assets</b>                          |      |                      |                     |
| Debtors: amounts falling due within one year   | 7    | 6,600                | 200                 |
| Cash at bank and in hand                       | 8    | 136,553              | 71,200              |
|                                                |      | <u>143,153</u>       | <u>71,400</u>       |
| Creditors: amounts falling due within one year | 9    | (126,810)            | (68,607)            |
| <b>Net current assets</b>                      |      | <u>16,343</u>        | <u>2,793</u>        |
| <b>Total assets less current liabilities</b>   |      | <u>16,343</u>        | <u>2,793</u>        |
| <b>Net assets</b>                              |      | <u><u>16,343</u></u> | <u><u>2,793</u></u> |
| <b>Capital and reserves</b>                    |      |                      |                     |
| Called up share capital                        | 10   | 344,167              | 212,500             |
| Share premium account                          | 11   | 263,333              | -                   |
| Profit and loss account                        | 11   | (591,157)            | (209,707)           |
|                                                |      | <u><u>16,343</u></u> | <u><u>2,793</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**P E Presland**  
Director

Date: 31 January 2023

**ASHINGTON INNOVATION PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2022**

|                                                     | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity         |
|-----------------------------------------------------|----------------------------|-----------------------------|----------------------------|----------------------|
|                                                     | £                          | £                           | £                          | £                    |
| <b>Comprehensive income for the period</b>          |                            |                             |                            |                      |
| Loss for the period                                 | -                          | -                           | (209,707)                  | (209,707)            |
| <b>Contributions by and distributions to owners</b> |                            |                             |                            |                      |
| Shares issued during the period                     | 212,500                    | -                           | -                          | 212,500              |
| <b>At 1 August 2021</b>                             | <u>212,500</u>             | <u>-</u>                    | <u>(209,707)</u>           | <u>2,793</u>         |
| <b>Comprehensive income for the year</b>            |                            |                             |                            |                      |
| Loss for the year                                   | -                          | -                           | (381,450)                  | (381,450)            |
| <b>Contributions by and distributions to owners</b> |                            |                             |                            |                      |
| Shares issued during the year                       | 131,667                    | 263,333                     | -                          | 395,000              |
| <b>At 31 July 2022</b>                              | <u><u>344,167</u></u>      | <u><u>263,333</u></u>       | <u><u>(591,157)</u></u>    | <u><u>16,343</u></u> |

**ASHINGTON INNOVATION PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2022**

|                                                                   | 2022                  | 2021                 |
|-------------------------------------------------------------------|-----------------------|----------------------|
|                                                                   | £                     | £                    |
| <b>Cash flows from operating activities</b>                       |                       |                      |
| Loss for the financial year                                       | (381,450)             | (209,707)            |
| <b>Adjustments for:</b>                                           |                       |                      |
| (Increase) in debtors                                             | (6,400)               | (200)                |
| Increase in creditors                                             | 58,203                | 68,607               |
| <b>Net cash generated from operating activities</b>               | <u>(329,647)</u>      | <u>(141,300)</u>     |
| <br><b>Cash flows from financing activities</b>                   |                       |                      |
| Issue of ordinary shares                                          | 395,000               | 212,500              |
| <b>Net cash used in financing activities</b>                      | <u>395,000</u>        | <u>212,500</u>       |
| <b>Net increase in cash and cash equivalents</b>                  | <u>65,353</u>         | <u>71,200</u>        |
| Cash and cash equivalents at beginning of year                    | 71,200                | -                    |
| <b>Cash and cash equivalents at the end of year</b>               | <u><u>136,553</u></u> | <u><u>71,200</u></u> |
| <br><b>Cash and cash equivalents at the end of year comprise:</b> |                       |                      |
| Cash at bank and in hand                                          | 136,553               | 71,200               |
|                                                                   | <u><u>136,553</u></u> | <u><u>71,200</u></u> |

The notes on pages 16 to 20 form part of these financial statements.

**ASHINGTON INNOVATION PLC**

**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 JULY 2022**

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|                          | At 1 August<br>2021<br>£ | Cash flows<br>£ | At 31 July<br>2022<br>£ |
|--------------------------|--------------------------|-----------------|-------------------------|
| Cash at bank and in hand | 71,200                   | 65,353          | 136,553                 |
| Debt due within 1 year   | (9,437)                  | -               | (9,437)                 |
|                          | <u>61,763</u>            | <u>65,353</u>   | <u>127,116</u>          |

## ASHINGTON INNOVATION PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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#### 1. General information

Ashington Innovation PLC is a public Company limited by shares, incorporated in England & Wales. Its registered office is 27/28 Eastcastle Street, London, W1W 8DH.

The principal activity of the company is that of a Special Purpose Acquisition Company.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

All accounting policies applied in the preparation of the management accounts are consistent with those of the statutory financial statements filed at Companies House.

##### 2.2 Going concern

The Company was established as a Special Purpose Acquisition Company and is presently in the process of seeking to list its shares on the Main Market of the London Stock Exchange. Although the Company is unlikely to make any profit until the successful completion of a suitable acquisition the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

In undertaking the going concern review, the Directors have reviewed the Company's cash flow forecasts to 31 January 2024 (the going concern period). Accounting standards require that the review period covers at least 12 months from the date of approval of the financial statements, although they do not specify how far beyond 12 months the Directors should consider. Further funding is required under the Company's long-term plan to continue to seek acquisition candidates, and the Company plans to raise significant further equity capital within this period, either from existing or new investors. Given these plans and requirements, a review period of 12 months is considered appropriate.

However, the plans to raise additional equity capital are dependent upon the approval of the FCA to admit the Company's equity shares for listing on the London Stock Exchange. This approval, together with the subsequent investment by existing and new shareholders, and the successful completion of a suitable acquisition are all matters that are not entirely within the control of the Directors, and represent material uncertainties regarding the Company's ability to continue as a going concern.

Notwithstanding the existence of these material uncertainties, given the plans currently in place, the Directors believe that the adoption of the going concern basis of accounting is appropriate. The accompanying financial statements do not include any adjustments that would be required if they were not prepared on a going concern basis

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022

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**2. Accounting policies (continued)**

**2.3 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.4 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.5 Debtors**

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

**2.6 Cash and cash equivalents**

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

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

## ASHINGTON INNOVATION PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

#### 2. Accounting policies (continued)

##### 2.7 Creditors

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

##### 2.8 Financial instruments

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

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

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

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

The Directors consider that there have been no significant judgements or estimations made during the course of preparing these financial statements.

#### 4. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

|                                                                                                                 | 2022  | 2021  |
|-----------------------------------------------------------------------------------------------------------------|-------|-------|
|                                                                                                                 | £     | £     |
| Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements | 3,600 | 4,000 |
| Fees payable to the Company's auditors and their associates in respect of:                                      |       |       |
| All non-audit services not included above                                                                       | 6,060 | 1,500 |

**ASHINGTON INNOVATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**5. Employees**

Staff costs, including Directors' remuneration, were as follows:

|                                     | <b>2022</b>          | <i>2021</i>         |
|-------------------------------------|----------------------|---------------------|
|                                     | <b>£</b>             | <b>£</b>            |
| Wages and salaries                  | <b>10,500</b>        | -                   |
| Directors fees                      | <b>40,000</b>        | <i>9,000</i>        |
| Social security costs               | <b>447</b>           | -                   |
| Cost of defined contribution scheme | <b>10,500</b>        | -                   |
|                                     | <u><b>61,447</b></u> | <u><i>9,000</i></u> |

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

|           | <b>2022</b>     | <i>2021</i>     |
|-----------|-----------------|-----------------|
|           | <b>No.</b>      | <i>No.</i>      |
| Directors | <u><b>4</b></u> | <u><i>4</i></u> |

**6. Directors' remuneration**

|                                                               | <b>2022</b>          | <i>2021</i>         |
|---------------------------------------------------------------|----------------------|---------------------|
|                                                               | <b>£</b>             | <b>£</b>            |
| Directors' emoluments                                         | <b>50,500</b>        | <i>9,000</i>        |
| Company contributions to defined contribution pension schemes | <b>10,500</b>        | -                   |
|                                                               | <u><b>61,000</b></u> | <u><i>9,000</i></u> |

**ASHINGTON INNOVATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**7. Debtors**

|                                | <b>2022</b>         | <b>2021</b>       |
|--------------------------------|---------------------|-------------------|
|                                | <b>£</b>            | <b>£</b>          |
| Other debtors                  | -                   | 200               |
| Prepayments and accrued income | <b>6,600</b>        | -                 |
|                                | <u><b>6,600</b></u> | <u><b>200</b></u> |

**8. Cash and cash equivalents**

|                          | <b>2022</b>           | <b>2021</b>          |
|--------------------------|-----------------------|----------------------|
|                          | <b>£</b>              | <b>£</b>             |
| Cash at bank and in hand | <b>136,553</b>        | 71,200               |
|                          | <u><b>136,553</b></u> | <u><b>71,200</b></u> |

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

|                                    | <b>2022</b>           | <b>2021</b>          |
|------------------------------------|-----------------------|----------------------|
|                                    | <b>£</b>              | <b>£</b>             |
| Trade creditors                    | <b>9,258</b>          | 1,920                |
| Other taxation and social security | <b>787</b>            | -                    |
| Other creditors                    | <b>9,437</b>          | 9,437                |
| Accruals and deferred income       | <b>107,328</b>        | 57,250               |
|                                    | <u><b>126,810</b></u> | <u><b>68,607</b></u> |

# ASHINGTON INNOVATION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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### 10. Share capital

|                                                              | 2022                  | 2021           |
|--------------------------------------------------------------|-----------------------|----------------|
|                                                              | £                     | £              |
| <b>Allotted, called up and fully paid</b>                    |                       |                |
| 34,416,666 (2021 - 21,250,001) Ordinary shares of £0.01 each | <u><b>344,167</b></u> | <u>212,500</u> |

The Ordinary shares have attached to them full voting, dividend and capital distribution rights; they do not confer any rights of redemption.

During the year there were two new share issues.

10,833,331 Ordinary £0.01 shares were issued on 04 November 2021 and £0.03 was paid per share.

2,333,334 Ordinary £0.01 shares were issued on 21 April 2022 and £0.03 was paid per share.

### 11. Reserves

#### Share premium account

A premium of £263,333 was paid on shares issued during the year.

#### Profit and loss account

All reserves in respect of profit and loss are distributable reserves.

**12. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,500 (2021: £NIL). No contributions were payable to the fund at the balance sheet date (2021: £1,500).

**13. Controlling party**

The Company's ultimate controlling party is J Smart by virtue of his majority shareholding.

**(C) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY  
FOR THE PERIOD TO 31 JULY 2021 (AUDITED)**

**ASHINGTON INNOVATION PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 JULY 2021**

## ASHINGTON INNOVATION PLC

### COMPANY INFORMATION

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|                             |                                                                                                                                                               |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>            | C L Disspain (appointed 21 July 2020)<br>P E Presland (appointed 21 July 2020)<br>J Smart (appointed 18 March 2021)<br>J K Drummond (appointed 18 March 2021) |
| <b>Company secretary</b>    | MSP Corporate Services Limited                                                                                                                                |
| <b>Registered number</b>    | 12758732                                                                                                                                                      |
| <b>Registered office</b>    | 27/28 Eastcastle Street<br>London<br>W1W 8DH                                                                                                                  |
| <b>Independent auditors</b> | Venthams<br>Chartered Accountants & Statutory Auditor<br>Millhouse<br>32 - 38 East Street<br>Rochford<br>Essex<br>SS4 1DB                                     |

# ASHINGTON INNOVATION PLC

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**ASHINGTON INNOVATION PLC**

**STRATEGIC REPORT**  
**FOR THE PERIOD ENDED 31 JULY 2021**

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## **Introduction**

The Directors present their report and financial statements for the period ended 31 July 2021.

## **Business review**

Ashington Innovation PLC is a Special Purpose Acquisition Company (SPAC). It is presently in the process of listing its shares on the Main Market of London Stock Exchange -Standard Segment.

The Company's objective is to generate an attractive rate of return for Shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the technology sector (in particular, the fintech and deep tech sectors) and operating the companies or businesses that it acquires. The Directors are responsible for carrying out this objective, implementing the Company's business strategy and conducting its overall supervision.

The Company may seek to simultaneously acquire one or two businesses that have complementary people and technology in order to create one larger company. As at the date of this Annual Report, the Company has not identified any specific acquisition target and does not expect to engage in negotiations with any target until after the listing. The Company's intention is to acquire a controlling interest in target business(es) or company(ies).

Whilst the Company intends to initially review a broad range of acquisition opportunities, once the Company carries out an acquisition in a specific sector, it intends to focus its activities on that sector and to build its strategy in that sector. The Directors do not intend the enlarged group to become a holding company for projects in multiple sectors or to become an investment fund. The Company will not therefore, be pursuing a strategy or policy of diversification and spreading risk in its acquisitions.

The Directors' intention is to create a trading business, rather than an investment entity. The Directors consider the potential vendors of target companies or businesses will be attracted by the opportunity to hold an interest in a London listed company with cash, access to capital markets and the know-how to develop the business.

## **Principal risks and uncertainties**

### **Transaction risk**

Although the Company has no history of trading and no current trading activities, its placing shares will be issued at a premium to the net asset value of the Ordinary Shares. In addition the Company has limited cash resources which will diminish over time owing to the Company's operating costs.

### **The Company is dependent on the Directors to identify suitable acquisition opportunities**

The Company is dependent on the Directors to identify suitable acquisition opportunities. Whilst the Directors have considerable relevant experience of acquiring companies, businesses and assets in the nature of those that the Company will seek to acquire, there is a risk that the Directors may not be able to source suitable targets or execute an acquisition, and that any targets identified may not fully align with the Company's objectives and business plans.

### **Economic uncertainties**

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of an acquisition target will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

## ASHINGTON INNOVATION PLC

### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2021

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#### Financial key performance indicators

Based on this being the first year of operating and the Company being a SPAC, the Directors consider there to be no current financial key performance indicators. These will be reassessed when the Company obtains its listing status, and an acquisition is completed.

#### Other key performance indicators

As above, the Directors do not consider there to be any other key performance indicators at present. The sole focus is on obtaining the listing status.

#### Directors' statement of compliance with duty to promote the success of the Company

During the period, the Directors have acted to promote the success of the Company for the benefits of its members.

While discharging their duties, section 172 (1) requires the Directors to have regard to, amongst other matters, the;

- Likely long-term consequences
- Business relationships with suppliers
- Impact on the community and environment
- Reputation for high standard of business conduct
- Need to act fairly between members of the company

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

The Directors have and will continue to provide leadership within a framework of appropriate and effective controls. The Directors operate and monitor the corporate governance values of the Company and have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company, and reviewing the performance of the officers and management of the Company's business both prior to and following an acquisition.

This report was approved by the board and signed on its behalf.

**P E Presland**  
Director

Date: 18 February 2022

**ASHINGTON INNOVATION PLC**

**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 JULY 2021**

---

The Directors present their report and the financial statements for the period ended 31 July 2021.

**Directors' responsibilities statement**

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The loss for the period, after taxation, amounted to £209,707.

**Directors**

The Directors who served during the period were:

C L Disspain (appointed 21 July 2020)  
P E Presland (appointed 21 July 2020)  
J Smart (appointed 18 March 2021)  
J K Drummond (appointed 18 March 2021)

**Future developments**

As referred to in the Strategic report the Company is in the process of listing its shares on the Main Market of the London Stock Exchange.

**ASHINGTON INNOVATION PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 JULY 2021**

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**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

Between the balance sheet date and the date of approval of these financial statements the Company has raised an additional £325,000 through the issue of 10,833,333 new Ordinary Shares.

This report was approved by the board and signed on its behalf.

**P E Presland**  
Director

Date: 18 February 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC

---

**Opinion**

We have audited the financial statements of Ashington Innovation Plc (the 'Company') for the period ended 31 July 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## ASHINGTON INNOVATION PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC (CONTINUED)

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#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC  
(CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## ASHINGTON INNOVATION PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHINGTON INNOVATION PLC (CONTINUED)

---

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Trevor McCarthy (Senior statutory auditor)

for and on behalf of  
**Venthams**

Chartered Accountants  
Statutory Auditor

Millhouse  
32 - 38 East Street  
Rochford  
Essex  
SS4 1DB

Date: 21 February 2022

ASHINGTON INNOVATION PLC

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 JULY 2021

---

|                                           | 2021<br>£               |
|-------------------------------------------|-------------------------|
| Administrative expenses                   | (209,707)               |
| Operating (loss)/profit                   | <u>(209,707)</u>        |
| (Loss)/profit for the financial period    | <u>(209,707)</u>        |
| Other comprehensive income for the period |                         |
| Total comprehensive income for the period | <u><u>(209,707)</u></u> |

**ASHINGTON INNOVATION PLC**  
**REGISTERED NUMBER:12758732**

**BALANCE SHEET**  
**AS AT 31 JULY 2021**

|                                                | Note | 2021<br>£           |
|------------------------------------------------|------|---------------------|
| <b>Current assets</b>                          |      |                     |
| Debtors: amounts falling due within one year   | 6    | 200                 |
| Cash at bank and in hand                       | 7    | 71,200              |
|                                                |      | <u>71,400</u>       |
| Creditors: amounts falling due within one year | 8    | (68,607)            |
| <b>Net current assets</b>                      |      | <u>2,793</u>        |
| <b>Total assets less current liabilities</b>   |      | <u>2,793</u>        |
| <b>Net assets</b>                              |      | <u><u>2,793</u></u> |
| <b>Capital and reserves</b>                    |      |                     |
| Called up share capital                        | 9    | 212,500             |
| Profit and loss account                        | 10   | (209,707)           |
|                                                |      | <u><u>2,793</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**P E Presland**  
Director

Date: 18 February 2022

**ASHINGTON INNOVATION PLC**  
**REGISTERED NUMBER:12758732**

**ASHINGTON INNOVATION PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 JULY 2021**

|                                            | Called up<br>share capital | Profit and<br>loss account | Total equity        |
|--------------------------------------------|----------------------------|----------------------------|---------------------|
|                                            | £                          | £                          | £                   |
| <b>Comprehensive income for the period</b> |                            |                            |                     |
| Loss for the period                        | -                          | (209,707)                  | (209,707)           |
| Shares issued during the period            | 212,500                    | -                          | 212,500             |
| <b>At 31 July 2021</b>                     | <u><u>212,500</u></u>      | <u><u>(209,707)</u></u>    | <u><u>2,793</u></u> |

**ASHINGTON INNOVATION PLC**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 JULY 2021**

|                                                                     | 2021<br>£            |
|---------------------------------------------------------------------|----------------------|
| <b>Cash flows from operating activities</b>                         |                      |
| (Loss)/profit for the financial period                              | (209,707)            |
| <b>Adjustments for:</b>                                             |                      |
| (Increase)/decrease in debtors                                      | (200)                |
| Increase in creditors                                               | 68,607               |
| <b>Net cash generated from operating activities</b>                 | <u>(141,300)</u>     |
| <br><b>Cash flows from financing activities</b>                     |                      |
| Issue of ordinary shares                                            | 212,500              |
| <b>Net cash used in financing activities</b>                        | <u>212,500</u>       |
| <b>Net increase in cash and cash equivalents</b>                    | <u>71,200</u>        |
| <b>Cash and cash equivalents at the end of period</b>               | <u><u>71,200</u></u> |
| <br><b>Cash and cash equivalents at the end of period comprise:</b> |                      |
| Cash at bank and in hand                                            | 71,200               |
|                                                                     | <u><u>71,200</u></u> |

**ASHINGTON INNOVATION PLC**

**ANALYSIS OF NET DEBT  
FOR THE PERIOD ENDED 31 JULY 2021**

---

|                          | Cash flows<br>£ | Other<br>non-cash<br>changes<br>£ | At 31 July<br>2021<br>£ |
|--------------------------|-----------------|-----------------------------------|-------------------------|
| Cash at bank and in hand | 71,200          | -                                 | 71,200                  |
| Debt due within 1 year   | -               | (9,437)                           | (9,437)                 |
|                          | <u>71,200</u>   | <u>(9,437)</u>                    | <u>61,763</u>           |

# ASHINGTON INNOVATION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2021

---

### 1. General information

Ashington Innovation PLC is a public Company limited by shares, incorporated in England & Wales. Its registered office is 27/28 Eastcastle Street, London, W1W 8DH.

The Company was incorporated on 21 July 2020 and as a result the financial statements are for a period longer than 12 months.

The principal activity of the company is that of a Special Purpose Acquisition Company.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

#### 2.3 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## ASHINGTON INNOVATION PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2021

---

#### 2. Accounting policies (continued)

##### 2.4 Debtors

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

##### 2.5 Cash and cash equivalents

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

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.6 Creditors

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

##### 2.7 Financial instruments

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

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

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

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

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

The Directors consider that there have been no significant judgements or estimations made during the course of preparing these financial statements.

**ASHINGTON INNOVATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021**

**4. Auditors' remuneration**

|                                                                                                                     | 2021<br>£    |
|---------------------------------------------------------------------------------------------------------------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <u>4,000</u> |
| <b>Fees payable to the Company's auditor and its associates in respect of:</b>                                      |              |
| All other services                                                                                                  | 3,300        |
|                                                                                                                     | <u>3,300</u> |

**5. Employees**

There have been no staff costs in the period.

The average monthly number of employees, including the Directors, during the period was as follows:

|           | 2021<br>No. |
|-----------|-------------|
| Directors | <u>4</u>    |

**6. Debtors**

|               | 2021<br>£  |
|---------------|------------|
| Other debtors | 200        |
|               | <u>200</u> |

**7. Cash and cash equivalents**

|                          | 2021<br>£     |
|--------------------------|---------------|
| Cash at bank and in hand | 71,200        |
|                          | <u>71,200</u> |

ASHINGTON INNOVATION PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JULY 2021

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8. Creditors: Amounts falling due within one year

|                              | 2021<br>£     |
|------------------------------|---------------|
| Trade creditors              | 1,920         |
| Other creditors              | 9,437         |
| Accruals and deferred income | 57,250        |
|                              | <u>68,607</u> |

9. Share capital

|                                           | 2021<br>£      |
|-------------------------------------------|----------------|
| <b>Allotted, called up and fully paid</b> |                |
| 21,250,001- Ordinary shares of £0.01 each | <u>212,500</u> |

The Ordinary shares have attached to them full voting, dividend and capital distribution rights; they do not confer any rights of redemption.

10. Reserves

**Profit and loss account**

All reserves in respect of profit and loss are distributable reserves.

11. Related party transactions

During the period two of the Director's charged the company £4,500 each in respect of consultancy services provided to the company during its initial set up phase. As at the balance sheet date this amount was outstanding to the Directors'. This transaction was conducted on an arms length basis.

12. Controlling party

The Company's ultimate controlling party is J Smart by virtue of his majority shareholding.

**ASHINGTON INNOVATION PLC**  
**DETAILED ACCOUNTS**  
**FOR THE PERIOD ENDED 31 JULY 2021**

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 JULY 2021**

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|                                     |                         |
|-------------------------------------|-------------------------|
|                                     | 2021<br>£               |
| <b>Less: overheads</b>              |                         |
| Administration expenses             | (209,707)               |
| <b>Operating (loss)/profit</b>      | <u>(209,707)</u>        |
| <b>(Loss)/Profit for the period</b> | <u><u>(209,707)</u></u> |

|                                |                       |
|--------------------------------|-----------------------|
|                                | 2021<br>£             |
| <b>Administration expenses</b> |                       |
| Consultancy                    | 9,000                 |
| Legal and professional         | 194,457               |
| Auditors' remuneration         | 4,000                 |
| Accountancy fees               | 1,500                 |
| Sundry expenses                | 750                   |
|                                | <u><u>209,707</u></u> |

## **PART VII**

### **ADDITIONAL INFORMATION**

#### **1. Responsibility**

- 1.1 The Company and each of the Directors, whose names appear on page 34 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.
- 1.2 The Senior Manager accepts responsibility for the information contained in this document relating to him. To the best of the knowledge of the Senior Manager, the information contained in this document relating to him is in accordance with the facts and this document makes no omission likely to affect its import.

#### **2. Competent Authority Approval**

This prospectus has been approved by the Financial Conduct Authority, as competent authority under the UK Prospectus Regulation (EU). The Financial Conduct Authority only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus, nor as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

#### **3. The Company**

- 3.1 The Company's legal and commercial name is Ashington Innovation PLC.
- 3.2 The Company was incorporated in England and Wales on 21 July 2020 with registered number 12758732 under CA 2006. On 20 May 2021, the Company received a trading certificate. The domicile of the Company is the United Kingdom.
- 3.3 The principal legislation under which the Company operates is CA 2006. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
- 3.4 The Company's registered office is at 27/28 Eastcastle Street, London, W1W 8DH, United Kingdom and the telephone number is 0203 978 1000.
- 3.5 The Company has not yet commenced trading or operations. To date, the Company's activities have been limited to organisational matters and matters relating to Admission and the Subscription.
- 3.6 The Company does not have any subsidiaries or investments or any investments in progress.
- 3.7 On 8 April 2021, the Company adopted the Articles in substitution for and to the exclusion of the Company's then existing articles of association.

#### **4. Share Capital**

- 4.1 In accordance with CA 2006, the Company has no limit on its authorised share capital.
- 4.2 On incorporation of the Company one Ordinary Share was subscribed for and issued and allotted to Cargil Management Services Limited at a price of £0.01, which was fully paid up. On 22 April 2021, the Company issued and allotted 21,250,000 Ordinary Shares, fully paid, at par value to Director and Founder Mr Jason Smart. On 4 November 2021, the Company completed the Pre-IPO Financing, raising gross proceeds of £325,000 by the allotment of 10,833,332 Ordinary Shares to certain early-stage investors, at a price of £0.03 per Ordinary Share, fully paid up. On 24 February 2022, the Company issued in aggregate 2,333,334 Ordinary Shares to certain Directors and the Senior Manager in settlement of due but unpaid fees for certain pre-IPO services at a price of £0.03 per Ordinary Share, fully paid up. The issued and fully paid-up share capital of the Company at the date of this document is 34,416,667 Ordinary Shares.

- 4.3 The issued share capital of the Company at the date of this document and on Admission will be as follows:

|              | <b>Number of Ordinary Shares<br/>allotted and fully paid</b> | <b>Nominal value of Ordinary<br/>Shares</b> |
|--------------|--------------------------------------------------------------|---------------------------------------------|
| Current      | 34,416,667                                                   | £344,166.67                                 |
| On Admission | 61,397,900                                                   | £613,979                                    |

- 4.4 Pursuant to a resolution passed on 8 April 2021, the Company resolved that:

- (a) in accordance with section 551 CA 2006, the directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the resolution) up to an aggregate nominal amount of £100,000,000 (one hundred million pounds), provided that the authority will, unless renewed, varied or revoked by the Company prior to or on 7 April 2026, expire on such date, except that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and the directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority has expired. The resolution revoked and replaced all unexercised authorities previously granted to the directors to allot Relevant Securities, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities;
- (b) the directors be given the general power to allot equity securities (as defined by section 560 CA 2006) for cash up to the aggregate nominal amount of £100,000,000 (one hundred million pounds), as if the pre-emption rights for existing shareholders set out in section 561(1) CA 2006 did not apply to any such allotment. The power is limited to:
  - (1) the allotment of equity securities in connection with an offer of equity securities:
    - (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary;
  - (2) the allotment (otherwise than pursuant to the powers to allot referred to in paragraph (b)(1) above) of equity securities:
    - (i) in connection with, or for the purposes of, the Company's proposed offering or offerings of Ordinary Shares or other equity securities and Admission (which includes the issue of the Subscription Shares);
    - (ii) the allotment of equity securities pursuant to, or in connection with, any right granted before Admission (whether or not such right is expressed to be conditional on Admission);
    - (iii) to the extent (if any) that such an allotment would otherwise be subject to the provisions of section 561(1) CA 2006, for the purposes of, in connection with, or resulting from, the Acquisition, the financing of any Acquisition, or the amendment, restatement, cancellation, forgiveness or other restructuring of all or any part of any debt (or other financial obligation) owed or guaranteed by any company or entity acquired by the Company (or by any subsidiary of the Company), or of all or any part of any debt (or other financial obligation) assumed or entered into or guaranteed by the Company (or by any subsidiary of the Company) in connection with any Acquisition; and
    - (iv) up to (and including) a maximum aggregate nominal amount of £50,000,000 (fifty million pounds).

The power granted by this resolution will, unless renewed, varied or revoked by the Company prior to or on such date, expire on 7 April 2026 except that the Company may, before such

expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement notwithstanding that the power conferred by this resolution has expired. The resolution revoked and replaced all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) CA 2006 did not apply but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities.

- 4.5 The provisions of section 561(1) CA 2006 (to the extent not disapplied pursuant to sections 570-571 CA 2006) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 CA 2006) which are, or are to be, paid up in cash and will apply to the unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraph 4.4 above.
- 4.6 The Ordinary Shares will, with effect from Admission, be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Ordinary Shares are not currently listed or traded, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading, on any other stock exchange or securities market.
- 4.7 Each Subscription Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise pari passu in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).
- 4.8 Except for the Company's obligations to issue and allot Ordinary Shares pursuant to the Subscription and, conditional upon exercise, the Warrants, there are no rights and/or obligations over the Company's unissued share or loan capital nor do there exist any undertakings to increase the Company's share or loan capital.
- 4.9 Except for the Warrants, no share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.
- 4.10 The Company does not have in issue any securities not representing share capital nor any shares which are held by or on behalf of the Company itself, and there are no outstanding convertible securities issued by the Company.
- 4.11 The participation (as a percentage) in share capital and voting rights for existing Shareholders before and after the capital increase resulting from the Subscription, on the basis that existing Shareholders do not participate in the Subscription, are as follows:

|               | Immediately prior to Admission | Immediately following Admission |
|---------------|--------------------------------|---------------------------------|
| Share Capital | 100%                           | 56.06%                          |
| Voting        | 100%                           | 56.06%                          |

- 4.12 The Company has, conditional on Admission, granted the Directors and Management Warrants over Ordinary Shares pursuant to the warrant instrument described in paragraph 11.2 of this Part VII. Entitlements to subscribe for Ordinary Shares pursuant to the Directors and Management Warrants are allocated amongst the Directors and the Senior Manager as follows:

|                |        |
|----------------|--------|
| Jason Smart    | 93.47% |
| Jason Drummond | 0.71%  |
| Chris Disspain | 0.71%  |

|                |             |
|----------------|-------------|
| Peter Presland | 0.71%       |
| David Orchard  | 4.40%       |
|                | <b>100%</b> |

4.13 In addition, pursuant to the broker agreement described in paragraph 11.1 of Part VII, the Company agreed to grant the Broker Warrants, representing 2% of the gross proceeds of funds raised by SI Capital on completion of a Reverse Takeover at the issue price in respect of that Reverse Takeover.

4.14 Shareholders do not have any entitlements to participate in the Subscription, other than as set out in Part III: *The Subscription*, under the heading *Equity commitment of the Directors, major shareholders and significant investors*.

4.15 The net asset value per Ordinary Share is as follows:

|                                                | Immediately prior to Admission | Immediately following Admission |
|------------------------------------------------|--------------------------------|---------------------------------|
| Net (liability)/asset value per Ordinary Share | (0.30) pence                   | 0.85 pence                      |

4.16 The Ordinary Shares may be held in either certificated form or under the CREST system.

4.17 Except as disclosed in this paragraph since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.

4.18 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercise or could exercise control over the Company.

4.19 The ISIN number in respect of the Ordinary Shares is GB00BNM4K334. The Ordinary Shares are and will be created and issued under CA 2006 and are denominated in pounds sterling.

4.20 The registrars of the Company are Share Registrars Limited. They will be responsible for maintaining the register of members of the Company.

## 5. Objects of the Company

The Company's objects are unrestricted.

## 6. Articles of association

The rights attaching to the Ordinary Shares, as set out in the Articles contain, amongst others, the following provisions:

### *Votes of members*

6.1 Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or by proxy or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.

6.2 Unless the directors determine otherwise, a member of the Company is not entitled to attend a general meeting, or, in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006.

#### *Variation of rights*

- 6.3 The Articles do not contain provisions relating to the variation of rights as these matters are dealt with in section 630 CA 2006. If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class but not otherwise.

#### *Transfer of shares*

- 6.4 Subject to the provisions of the Articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- 6.5 The directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. In exceptional circumstances approved by the London Stock Exchange, the directors may refuse to register any such transfer, provided that their refusal does not disturb the market in the shares.
- 6.6 The Articles contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than four joint transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

#### *Payment of dividends*

- 6.7 Subject to the provisions of CA 2006 and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. Interim dividends may be paid if profits are available for distribution and if the directors so resolve.

#### *Unclaimed dividends*

- 6.8 Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

#### *Untraced Shareholders*

- 6.9 The Company may sell any share if, during a period of 12 years, at least three dividends in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent. Notice of the intention to sell must also be given to the FCA.

#### *Return of capital*

- 6.10 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by CA 2006, be divided amongst the members.

#### *Borrowing powers*

- 6.11 Subject to the provisions of CA 2006, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

## *Directors*

- 6.12 No shareholding qualification is required by a Director.
- 6.13 The Directors are entitled to fees, in addition to salaries, at the rate decided by the Board, subject to an aggregate limit of £100,000 per annum or such additional sums as the Company may by ordinary resolution determine. The Company may by ordinary resolution also vote extra fees to the Directors which, unless otherwise directed by the resolution by which it is voted, will be divided amongst the Directors as they agree, or failing agreement, equally. The Directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.
- 6.14 No Director shall be required to retire before the completion of a Reverse Takeover. At the third (or next subsequent) annual general meeting after an annual general meeting or general meeting at which a Director was appointed and which follows the completion of a Reverse Takeover, such Director will retire from office. A retiring Director is eligible for reappointment.
- 6.15 The Directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.
- 6.16 Except as provided in paragraphs 6.17 and 6.18 below, a Director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to CA 2006, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.
- 6.17 In the absence of some other material interest than is indicated below, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
- (a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
  - (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or sub underwriting;
  - (d) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested provided that he is not the holder of or beneficially interested in 1% or more of any class of the equity share capital of such company, or of a third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest, as provided in paragraph 6.14 above, in all circumstances;
  - (e) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HMRC;
  - (f) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of an employee share scheme which includes full time executive directors of the Company and/or any subsidiary or any arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not award to any director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and

- (g) any contract, arrangement, transaction or proposal concerning insurance which the Company proposed to maintain or purchase for the benefit of directors or for the benefit or persons including the directors.

- 6.18 If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other Director will be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fully disclosed.
- 6.19 The Directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any Director, ex-director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such Director, ex-director, employee or ex-employee.

#### *CREST*

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

#### *Disclosure notice*

- 6.21 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant share capital:
  - (a) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
  - (b) where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

#### *General meetings*

- 6.22 An annual general meeting must be called by at least 21 clear days' notice, and all other general meetings must be called by at least 14 clear days' notice.
- 6.23 Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.
- 6.24 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.
- 6.25 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 6.26 No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.

- 6.27 The appointment of a proxy must be in any usual form, or such other form as may be approved by the Directors, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 6.28 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- 6.29 The Directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

## 7. Substantial Shareholders

- 7.1 Except for the interests of those persons set out in this paragraph and in paragraph 10.1 below, the Directors are not aware of any interests (other than interests of the Directors) which, at the date of this document and immediately following Admission, would amount to 3% or more of the Company's issued share capital:

| Name                       | Ordinary Shares as at the date of this | Percentage of Existing Ordinary Shares | Ordinary Shares on Admission | Percentage of Enlarged Share Capital |
|----------------------------|----------------------------------------|----------------------------------------|------------------------------|--------------------------------------|
| Jason Smart <sup>1</sup>   | 21,250,000                             | 61.74%                                 | 29,731,233                   | 48.42%                               |
| Mohammed Bakhawain         | -                                      | 0.00%                                  | 7,833,333                    | 12.76%                               |
| Michael Nunn               | 3,333,333                              | 9.69%                                  | 3,333,333                    | 5.43%                                |
| Peter Gaynor               | 3,333,333                              | 9.69%                                  | 3,333,333                    | 5.43%                                |
| Edward Johnson             | -                                      | 0.00%                                  | 3,333,333                    | 5.43%                                |
| David Orchard <sup>1</sup> | 1,000,000                              | 2.91%                                  | 2,500,000                    | 4.07%                                |

Notes:

- <sup>1</sup> 1,000,000 Ordinary Shares are as at the date of this document held by WGP Global Limited, a company controlled by David Orchard and 1,500,000 Ordinary Shares are expected to be subscribed for on Admission by Elaine Orchard, David Orchard's spouse.

- 7.2 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 10 of this Part VII, has voting rights different from other holders of Ordinary Shares.
- 7.3 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

## 8. The Directors

- 8.1 The Directors and their respective functions are as follows:

Peter Eric Presland (*Non-Executive Director*)

Christopher Leonard Disspain (*Non-Executive Director*)

Jason Smart (*Non-Executive Director*)

Jason Kingsley Drummond (*Non-Executive Director*)

- 8.2 The business address of each of the Directors is 27/28 Eastcastle Street, London, W1W 8DH, United Kingdom.

## 9. Senior Manager

The Company has appointed David Orchard as its sole senior manager.

## 10. Directors' and the Senior Manager's interests in the Company including service agreements

- 10.1 The interests of the Directors, the Senior Manager and persons connected with them, within the meaning of sections 252 and 253 CA 2006, in the share capital of the Company, at the date of this document and immediately following Admission, all of which are beneficial, are:

| Name                        | Ordinary Shares as at the date of this document | Percentage of Existing Ordinary Shares | Ordinary Shares on Admission | Percentage of Enlarged Share Capital |
|-----------------------------|-------------------------------------------------|----------------------------------------|------------------------------|--------------------------------------|
| Jason Smart                 | 21,250,000                                      | 61.74%                                 | 29,731,233                   | 48.42%                               |
| Jason Drummond              | 1,000,000                                       | 2.91%                                  | 1,000,000                    | 1.63%                                |
| Peter Presland              | 166,667                                         | 0.48%                                  | 166,667                      | 0.27%                                |
| Chris Disspain <sup>2</sup> | 166,667                                         | 0.48%                                  | 1,000,000                    | 1.63%                                |
| David Orchard <sup>3</sup>  | 1,000,000                                       | 2.91%                                  | 2,500,000                    | 4.07%                                |

Notes:

<sup>1</sup> 1,000,000 Ordinary Shares are held as at the date of this document by Chris Disspain directly and 833,333 Ordinary Shares are expected to be subscribed for on Admission by DNS Capital Ltd, a company controlled by Chris Disspain.

<sup>2</sup> 1,000,000 Ordinary Shares are held as at the date of this document by WGP Global Limited, a company controlled by David Orchard and 1,500,000 Ordinary Shares are expected to be subscribed for on Admission by Elaine Orchard, David Orchard's spouse.

- 10.2 The Directors and Senior Manager and persons connected with them will, conditional upon Admission, hold Warrants in the proportions set out in paragraph 4.12 of this Part VII.
- 10.3 Except as disclosed in paragraphs 10.1 and 10.2, none of the Directors nor any person connected with them, within the meaning of sections 252 and 253 CA 2006, is interested in the share capital of the Company, or in any related financial products referenced to the Ordinary Shares.
- 10.4 There are no outstanding loans or options granted by the Company to any Director, nor has any guarantee been provided by the Company for their benefit.
- 10.5 The Company has entered into the following letters of appointment with the Directors and Senior Manager:
- (a) an agreement with Mr Presland dated on or about the date of this document, pursuant to which Mr Presland was appointed as a non-executive director and chairman of the Company for an annual fee of £18,000, payable monthly in arrears. Mr Presland is expected to devote at least two days a month to perform his duties for the Company. The appointment is for an initial term of 36 months and is terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Presland is in material breach of the terms of the appointment. In consideration of services to the Company prior to Admission, Mr Presland was paid (i) £5,000, satisfied by the issue and allotment on 24 February 2022 of 166,667 Ordinary Shares at a deemed issue price of 3 pence per share, and (ii) £27,000 in cash;
  - (b) an agreement with Mr Disspain dated on or about the date of this document, pursuant to which Mr Disspain was appointed as a non-executive director of the Company for an annual fee of £18,000,

payable monthly in arrears. Mr Disspain is expected to devote at least two days a month to perform his duties for the Company. The appointment is for an initial term of 36 months and is terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Disspain is in material breach of the terms of the appointment. In consideration of services to the Company prior to Admission, Mr Disspain was paid (i) £5,000, satisfied by the issue and allotment on 24 February 2022 of 166,667 Ordinary Shares at a deemed issue price of 3 pence per share, and (ii) £27,000 in cash;

- (c) an agreement with Mr Smart dated on or about the date of this document, pursuant to which Mr Smart was appointed as a non-executive director of the Company, initially Mr Smart will not be remunerated. Mr Smart is expected to devote at least two days a month to perform his duties for the Company. The appointment is for an initial term of 36 months and is terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Smart is in material breach of the terms of the appointment;
- (d) an agreement with Mr Drummond dated on or about the date of this document, pursuant to which Mr Drummond was appointed as a non-executive director of the Company, initially for an annual fee of £18,000, which may be settled in Ordinary Shares. Mr Drummond is expected to devote at least two days a month to perform his duties for the Company. The appointment is for an initial term of 36 months and is terminable on six months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Drummond is in material breach of the terms of the appointment. In consideration of services to the Company prior to Admission, Mr Drummond was paid £30,000, satisfied by the issue and allotment on 24 February 2022 of 1,000,000 Ordinary Shares at a deemed issue price of 3 pence per share;
- (e) an agreement with WGP Global Limited dated 26 April 2021, pursuant to which Mr David Orchard was appointed as the General Counsel of the Company, initially for a monthly fee of £3,000 (plus applicable VAT), commencing from Admission. Mr Orchard will be expected to dedicate such time to the Company as may be reasonably required. Under the agreement, no compensation is payable for loss of office and the appointment may be terminated immediately. In consideration of services to the Company rendered by Mr Orchard prior to Admission, WGP was paid (i) £30,000, satisfied by the issue and allotment on 24 February 2022 of 1,000,000 Ordinary Shares at a deemed issue price of 3 pence per share, and (ii) £158,300 in cash.

- 10.6 The aggregate remuneration paid and benefits in kind granted to the Directors and Senior Manager for the period from incorporation to Admission, under the arrangements in force at the date of this document, amount to £282,300. It is estimated that the aggregate remuneration payable to the Directors and the Senior Manager from the date of Admission to 31 July 2023 under arrangements that are in force and that will come into effect on Admission will amount to £25,200.
- 10.7 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors and the Senior Manager. None of the Directors or the Senior Manager has any commission or profit-sharing arrangements with the Company.
- 10.8 Except as provided for in paragraph 10.5 above, the total emoluments of the Directors or the Senior Manager will not be varied as a result of Admission.
- 10.9 Except as disclosed in this paragraph 10, there are no existing or proposed service contracts between the Company and any of the Directors or the Senior Manager which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this document.
- 10.10 There are no pension, retirement or similar benefit established by the Company, nor are any such arrangements proposed.

10.11 In addition to their directorships of the Company, the Directors and the Senior Manager are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships (which, unless otherwise stated, are incorporated in the UK) within the five years prior to the publication of this document:

| <b>Director/Senior Manager</b> | <b>Current Appointments</b>                                                                                                                                                                                                                                                           | <b>Previous Appointments</b>                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Peter Presland                 | Clear Factor Limited<br>PurePro Solutions Limited (formerly PIP 17 Limited)<br>Zeel Holdings Limited<br>Zeel Solutions Limited<br>Redx Pharma plc<br>Mainvalley Limited<br>Rookhill Limited<br>Clausegate Limited                                                                     | GBR Advisory Limited<br>WideCells Group plc<br>John Holman & Sons Limited<br>Safe Computing Limited<br>SCH 2014 Limited<br>Safe Emcom Services Limited<br>Saber Analytics Limited<br>Intersoftware Recruitment Solutions Limited<br>AHL Management Limited<br>Topaz Support and Maintenance Limited<br>Topaz Computer Systems Limited<br>Safe Computing Holdings Limited<br>Xuper Limited<br>Beautiful Information Limited |
| Christopher Disspain           | DNS Capital Limited                                                                                                                                                                                                                                                                   | WGP Global Limited<br>Maple Leaf Nominees 1 Limited<br>Maple Leaf Nominees 2 Limited<br>The Internet Corporation for Assigned Names and Numbers Inc. (ICANN) (incorporated in the US)<br>The Global Brain Data Foundation Inc. (incorporated in the US)<br>Emily March 2016 Limited                                                                                                                                        |
| Jason Smart                    | Fairfax Capital B.V. (incorporated in the Netherlands)<br>TenCap Medical Ltd (incorporated in Malta)<br>Delta 99 Holdings Limited (incorporated in Malta)<br>Cloudgate Limited (incorporated in Malta)<br>Newcastle Holdings Ltd (incorporated in Malta)<br>Yubba Capital Corporation | Tendall Capital Markets Limited (incorporated in Malta)<br>Roundtable Capital Markets Ltd                                                                                                                                                                                                                                                                                                                                  |
| Jason Drummond                 | Gaming Technologies, Inc (formerly DITO, Inc) (incorporated in the US)<br>Gaming Technologies Limited<br>Eight Vodka Limited<br>Hoot Foods Limited<br>My8 Limited<br>My6 Limited<br>Gametech UK Limited                                                                               | Gametech Plc<br>Expentory Ltd<br>Gatekeeper App Limited<br>Dito Limited<br>Tactu Applico Limited<br>Teathers Financial Plc                                                                                                                                                                                                                                                                                                 |
| David Orchard                  | WGP Global Limited<br>Nexus Revolution Limited                                                                                                                                                                                                                                        | Edward Grosvenor & Partners Limited                                                                                                                                                                                                                                                                                                                                                                                        |

|  |                                                                                    |                                                                                                                                                                                                                                                         |
|--|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Tour de Force Wines Limited<br>Boom Innovation plc<br>Maple Leaf Corporate Limited | William Grosvenor Advisers Limited<br>WGP Energy Ltd<br>Maple Leaf Nominees 1 Limited<br>Maple Leaf Nominees 2 Limited<br>Facephi (UK) Limited<br>Emily March 2016 Limited<br>Confluent Media Limited<br>Davidson Mathis LLP<br>1NKemia Advanced BF Ltd |
|--|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

10.12 Other than the Directors and the Senior Manager, there are no other members of the Company's administrative, management or supervisory bodies.

10.13 Other than as disclosed in this paragraph 10, no Director or the Senior Manager:

- (a) has had any convictions in relation to fraudulent offences;
- (b) was, within the past five years, associated with any bankruptcy, receivership or liquidation in their capacity as a member of the administrative, management or supervisory bodies of a company or partnership, or as a senior manager; or
- (c) been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any company or partnership.

10.14 Mr Drummond was a director of Gametech UK Limited in respect of which an administrator was appointed on 13 April 2017. The company is currently in the process of being liquidated, a liquidator having been appointed on 4 April 2019.

10.15 Mr Orchard was a director of William Grosvenor Advisers Limited which is currently in the process of being liquidated, a liquidator having been appointed on 24 May 2018.

10.16 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

10.17 In the case of those Directors who have roles as directors of companies other than the Company or are otherwise interested in other companies or businesses, although there are no current conflicts of interest, it is possible that the general duties under Chapter 2 of Part 10 CA 2006 and fiduciary duties owed by those Directors to companies or other businesses of which they are directors or otherwise interested in from time to time may give rise to conflicts of interest with the duties owed to the Company. Except as mentioned above and in paragraph 6 of Part II: *Directors and Corporate Governance*, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private interests or other duties.

10.18 Other than the Directors themselves and the Senior Manager, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

10.19 Director Mr Jason Smart is considered to be the Founder of the Company. There are no activities performed by him outside of the Company which are significant with respect to the Company. Save as otherwise described in this document, the Founder is not providing any services to the Company nor will he provide any services to the Company in connection with an Acquisition nor is he entitled to any remuneration as a result of completing an Acquisition.

10.20 The Company intends to grant options to subscribe for new Ordinary Shares from time to time to incentivise directors, employees and consultants at the discretion of the Directors and subject to the

approval of the remuneration committee or, if such committee has not been established at the time, the Board. Options granted to subscribe for new Ordinary Shares in this manner will not: (i) exceed 10 per cent. of the Ordinary Shares in issue from time to time; and (ii) be granted with the exercise price lower than 3 (three) pence, without the prior approval of the Shareholders (Option Plan). As at the date of this document, the Company has not granted any options over the Ordinary Shares. The terms of such options shall be determined at the time of grant. No options have been granted on Admission. A term of the Option Plan shall be that the respective holder on an Option shall not exercise rights under the Option (and require new Ordinary Shares to be issued to such party) to the extent that to do so would result in their interest in Ordinary Shares, or the interest of any Concert Party (as defined in the City Code) of which they are a member, being equal to greater than 30 per cent. (the threshold under Rule 9 of the City Code above which such individual or Concert Party is required to make a mandatory offer for the outstanding shares of the Company).

## **11. Material Contracts**

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the period since incorporation or are other contracts that contain provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document.

### **11.1 *SI Capital broker engagement agreement***

On 4 April 2023, the Company and SI Capital Ltd (**SI Capital**) entered into a broker agreement pursuant to which, with effect from Admission, SI Capital is appointed to act as the Company's broker. The appointment will remain in effect unless terminated by either party on 90 business days' written notice. SI Capital will receive an annual fee of £40,000 (plus VAT) payable on completion of a Reverse Takeover and thereafter quarterly in advance. In addition, a floatation fee of £10,000 will be payable to SI Capital on Admission. SI Capital will also be entitled to a commission of 10 per cent. of all funds raised by SI Capital in connection with the Subscription and 1.0 per cent. on all other capital raisings for cash where SI Capital is engaged in the administration. The Company has further agreed to grant to SI Capital warrants to subscribe for such number of new Ordinary Shares, which would represent 2% of the gross proceeds of funds raised by SI Capital upon completion of a Reverse Takeover at the issue price in respect of that Reverse Takeover (**Broker Warrants**). The Broker Warrants will be exercisable for two years from completion of the Reverse Takeover.

### **11.2 *Directors and Management Warrants***

On or around the date of this document, the Company entered into a warrant instrument pursuant to which the Company granted to the Directors and Senior Manager, conditional upon Admission, warrants to subscribe, following (and conditional upon) completion of an Acquisition, at the Subscription Price for such number of Ordinary Shares as is equal, in aggregate, to 5% of the number of new Ordinary Shares to be issued as consideration shares pursuant to the Acquisition. These warrants will be exercisable for a period of two years from the date of completion of the Acquisition. No consideration is payable for the grant of these warrants.

### **11.3 *Pre-IPO Financing subscription agreements***

Subscription agreements were entered into between the Company and each pre-IPO subscriber for Ordinary Shares, under which each investor agreed to subscribe for Ordinary Shares at a price of 3p per Ordinary Share. In aggregate, the pre-IPO subscribers agreed to subscribe for 10,833,332 Ordinary Shares in the Pre-IPO Financing. Both the subscribers and the Company provided standard representations and warranties to one another.

### **11.4 *Registrar Agreement***

The Company and the Registrar have entered into an agreement with the Registrar dated 1 December 2021 (**Registrar Agreement**), pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs. The Registrar is entitled to receive an annual fee for the

provision of its services under the Registrar Agreement. The annual fee will be calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares.

The Registrar Agreement will continue for an initial period of one year and thereafter may be terminated upon the expiry of three months' written notice given by either party. In addition, the agreement may be terminated immediately if either party commits a material breach of the agreement which has not been remedied within 30 days of a notice requesting the same, or upon an insolvency event in respect of either party. The Company has agreed to indemnify the Registrar against, and hold it harmless from, any damages, losses, costs, claims or expenses incurred by the Registrar in connection with or arising out of the Registrar's performance of its obligations in accordance with the terms of the Registrar Agreement, save to the extent that the same arises from some act of fraud or wilful default on the part of the Registrar. The Registrar may delegate the carrying out of certain matters which the Registrar considers appropriate without giving prior written notice to the Company.

The Registrar Agreement is governed by English law.

#### **11.5 Lock-in agreements**

Under a lock-in agreement dated on or around the date of this document, Director Mr Jason Smart has agreed with the Company not to dispose of, and to procure that no party associated with him disposes of, any of the Founder Shares until completion of the Acquisition, subject to certain limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or death, or following or contemporaneously with the completion of a Reverse Takeover). On completion of the Acquisition, Mr Smart may dispose of, or procure that a party associated with him disposes of, up to 25% of the Founder Shares. Mr Smart may dispose of, or procure that a party associated with him disposes of, the remaining Founder Shares, each time up to a further 25% of the total number of Founder Shares, upon the end of each of the following periods commencing on completion of the Acquisition: (i) three months, (ii) six months, and (iii) nine months.

#### **11.6 Company Secretary Agreement**

The Company and MSP Corporate Services Limited (**Company Secretary**) have entered into an agreement dated 8 June 2020 (**Company Secretary Agreement**), pursuant to which the Company Secretary has agreed to act as the company secretary, and provide registered office services.

### **12. Working capital**

The Company is of the opinion that the working capital available to the Company, taking into account the Net Proceeds, is sufficient for the Company's present requirements, that is, for at least the next 12 months from the date of this document.

Part VI: *Financial Information on the Company* includes the Company's audited financial information for the period to 31 July 2022 in Section (A). The auditors' report to the financial information included a material uncertainty related to going concern. The audit report was dated 31 January 2023 and at that time the Subscription was uncertain. The working capital statement has been prepared on the basis that the Subscription Shares will be issued on the basis of irrevocable commitments, conditional only on Admission taking place, and therefore the going concern uncertainty will then no longer be applicable.

### **13. Litigation**

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company is aware) in the last 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

### **14. Intellectual property**

The Company is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

### **15. Premises**

The Company does not own any premises or hold any leasehold interests in any properties.

## **16. Employees**

The Company has not had any employees since incorporation.

## **17. Related Party Transactions**

Other than the subscription for Ordinary Shares by Director Mr Jason Smart as disclosed in paragraph 4.2 of this Part VII and the director appointment letters as disclosed in paragraph 10 of this Part VII, the Company is not party to any transactions with related parties, for the period covered by the historical financial information up to the date of this document.

## **18. No significant change and narrative statement**

- 18.1 Save for the Subscription (the Subscription generating gross proceeds received by the Company of 809,437), the contingent liability assumed by the Company to pay fees under the Registrar Agreement, as set out in paragraph 11.4 11.1 of this *Part VII*, the liability assumed by the Company to pay fees under Directors' letters of appointment and the agreement with the Senior Manager as set out in paragraph 10.5 of this *Part VII* (comprising approximately £90,000 per annum in aggregate) and the expenses of the Company referred to in paragraph 21.3 of this *Part VII* amounting to approximately £639,807, of which £52,773 was incurred since 31 January 2023 (all of which have caused a significant change in the financial position of the Company due to the Company being a newly established company which has not commenced trading), there has been no significant change in the trading or financial position of the Company since 31 January 2023, being the date as at which the most recent financial information contained in *Part VI: Financial Information on the Company* has been prepared.
- 18.2 Had the Subscription occurred on 31 January 2023, the date to which the most recent financial historical information has been prepared, then the Company's assets would have been increased £787,097, being the amount raised in the Subscription, less estimated expenses of £22,340 (including irrevocable VAT), associated with the Subscription and Admission.

## **19. Mandatory bids and compulsory acquisition rules relating to ordinary shares**

- 19.1 Other than as provided by the City Code and Chapter 28 CA 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.
- 19.2 The City Code is issued and administered by the Takeover Panel.
- 19.3 The City Code will apply to the Company from Admission and the Shareholders will be entitled to the protection afforded by the City Code.
- 19.4 There have been no public takeover bids for the Company's shares.

### ***Mandatory bid provisions***

- 19.5 Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but not more than 50% of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.
- 19.6 Except where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

### **Squeeze-out**

- 19.7 Under CA 2006, if a “takeover offer” (as defined in section 974 CA 2006) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Ordinary Shares to which the offer relates and not less than 90% of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

### **Sell-out**

- 19.8 CA 2006 also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% in value of the Ordinary Shares and not less than 90% of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

## **20. Trend Information**

The Company is a cash shell which has not yet made the Acquisition. As a result, there has been no activity regarding production, sales, inventory and costs and selling prices from which to form a trend.

At the time the Company completes an Acquisition, the Company will be exposed to the trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of that business, and therefore those of the Company. Until such time as the target of the Acquisition is identified, the Company is not able to identify such factors.

## **21. General**

- 21.1 Venthams Limited were appointed as the auditors of the Company on 3 February 2022. Venthams Limited are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of Millhouse, 32-38 East Street, Rochford, Essex, SS4 1DB.
- 21.2 UHY Hacker Young LLP, which has no material interest in the Company, has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name.
- 21.3 The total costs and expenses of or incidental to the Subscription and Admission and the incorporation, establishment and initial capitalisation of the Company payable by the Company are expected to be approximately £639,807 (including irrecoverable VAT), of which approximately £353,948 relate to the Subscription and Admission.
- 21.4 The Directors are not aware of any environmental issues which may affect the Company’s utilisation of its tangible fixed assets (if any).
- 21.5 The Company’s accounting reference date is 31 July.
- 21.6 The financial information relating to the Company contained in this document does not constitute statutory accounts for the purposes of section 434 CA 2006.

- 21.7 Since incorporation, other than the Company's audited financial statements in respect of the financial period to 31 July 2021, the Company has not made up any financial statements or published any financial information save for the information contained in Part VI of this document.
- 21.8 The Subscription Shares will be issued and allotted under the laws of England and their currency will be pounds sterling.
- 21.9 The Subscription Price represents a premium of 2 pence above the nominal value of an Ordinary Share which is 1 penny.
- 21.10 On 2 December 2021, the FCA published 'PS21/22: Primary Market Effectiveness Review: Feedback and final changes to the Listing Rules' (PS21/22), which confirmed an increase to the minimum market capitalisation (MMC) threshold for both the premium and standard listing segments of the Official List for shares in ordinary commercial companies from £700,000 to £30 million, as now set out in Listing Rule 2.2.7R(1). The expected market capitalisation of the Company on Admission is £1,841,937, which is below the increased MMC of £30 million. As described in PS21/22 there are transitional arrangements for certain companies and new applicants. Because the Company made a completed submission to the FCA for a listing eligibility review prior to 4.00 p.m. on 2 December 2021 to apply for listing based on the MMC of £700,000, and intends to apply to list by 2 June 2023 (i.e., within 18 months of the date the new rules applying), the transitional arrangements apply to the Company and therefore the Company expects to be eligible to admit its Ordinary Shares to the Official List based on the MMC of £700,000.

## **22. Documents available for inspection**

Copies of the following documents may be viewed on [www.ashingtoninnovationplc.com](http://www.ashingtoninnovationplc.com) or inspected at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG during normal business hours of any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date 12 months from publication of this document:

- 1.1 the Articles;
- 1.2 the consent letter of UHY Hacker Young LLP;
- 1.3 this document;
- 1.4 the letters of appointment of Directors and the Senior Manager referred to above in paragraph 10 of this *Part VII*; and
- 1.5 the material contracts referred to above in paragraph 11 of this *Part VII*.

## **PART VIII**

### **DEFINITIONS**

The following definitions apply throughout this document unless the context requires otherwise:

|                                                          |                                                                                                                                                                                                                                                   |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acquisition</b>                                       | the acquisition by the Company of a target company or business as part of the Company's overall business objective and strategy, as described in <i>Part I: Information on the Company, Investment Opportunity and Strategy</i> of this document. |
| <b>Admission</b>                                         | the effective admission of the Ordinary Shares to listing on the Official List and trading on the London Stock Exchange's main market for listed securities.                                                                                      |
| <b>Articles</b>                                          | the articles of association of the Company.                                                                                                                                                                                                       |
| <b>Board or Directors</b>                                | the directors of the Company whose names are set out on page 34 of this document.                                                                                                                                                                 |
| <b>Broker Warrants</b>                                   | has the meaning given to it in paragraph 11.1 of Part VII of this document                                                                                                                                                                        |
| <b>CA 2006</b>                                           | the Companies Act 2006.                                                                                                                                                                                                                           |
| <b>City Code</b>                                         | the City Code on Takeovers and Mergers published by the Takeover Panel.                                                                                                                                                                           |
| <b>Company or Ashington</b>                              | Ashington Innovation plc, incorporated in England and Wales with registered number 12758732.                                                                                                                                                      |
| <b>Corporate Governance Code</b>                         | the UK Corporate Governance Code, published by the Financial Reporting Council.                                                                                                                                                                   |
| <b>CREST</b>                                             | the paperless share settlement system and system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & International Limited is the Operator (as defined in the CREST Regulations).                       |
| <b>CREST Regulations</b>                                 | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended.                                                                                                                                                                    |
| <b>Directors and Management Warrants</b>                 | the warrants to subscribe new Ordinary Shares granted to the Directors and the Senior Manager as more particularly described in paragraphs 4.12 and 11.2 of Part VII of this document.                                                            |
| <b>Disclosure Guidance and Transparency Rules or DTR</b> | the disclosure guidance and transparency rules of the FCA.                                                                                                                                                                                        |
| <b>Enlarged Share Capital</b>                            | the issued ordinary share capital of the Company on Admission and immediately following completion of the Subscription, comprising the Existing Ordinary Shares and the Subscription Shares.                                                      |

|                                           |                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>European Economic Area or EEA</b>      | territories comprising the European Union together with Norway, Iceland and Liechtenstein.                                                                                                                                                                                                                                |
| <b>EUWA</b>                               | European Union (Withdrawal) Act 2018.                                                                                                                                                                                                                                                                                     |
| <b>Existing Ordinary Shares</b>           | the 34,416,667 Ordinary Shares in issue at the date of this document.                                                                                                                                                                                                                                                     |
| <b>FCA or Financial Conduct Authority</b> | the Financial Conduct Authority of the United Kingdom acting in its capacity as the competent authority for the purposes of Part VI of FSMA in the exercise of its functions in respect of, among other things, the admission to the Official List.                                                                       |
| <b>Founder</b>                            | Director Mr Jason Smart.                                                                                                                                                                                                                                                                                                  |
| <b>Founder Shares</b>                     | the 21,250,000 Existing Ordinary Shares in issue at the date of this document, which were subscribed for by the Founder at a price per share equal to the nominal value of £0.01.                                                                                                                                         |
| <b>Founder's Initial Funding</b>          | gross proceeds of £212,500 raised for the Company from the Founder's initial subscription.                                                                                                                                                                                                                                |
| <b>FSMA</b>                               | the Financial Services and Markets Act 2000.                                                                                                                                                                                                                                                                              |
| <b>HMRC</b>                               | HM Revenue & Customs.                                                                                                                                                                                                                                                                                                     |
| <b>Listing Rules</b>                      | the Listing Rules of the FCA.                                                                                                                                                                                                                                                                                             |
| <b>London Stock Exchange</b>              | London Stock Exchange plc.                                                                                                                                                                                                                                                                                                |
| <b>MAR</b>                                | Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and any implementing legislation as it forms part of retained EU law as defined in the EUWA (as amended from time to time).                                                                                   |
| <b>Net Cash</b>                           | the Net Proceeds plus the Founder's Initial Funding and Pre-IPO Proceeds, less expenses associated with the Founder's initial subscription, the Pre-IPO Financing and the establishment of the Company.                                                                                                                   |
| <b>Net Proceeds</b>                       | the funds received by the Company under the Subscription, less any expenses paid or payable in connection with Admission and the Subscription.                                                                                                                                                                            |
| <b>Official List</b>                      | the Official List maintained by the FCA.                                                                                                                                                                                                                                                                                  |
| <b>Ordinary Shares</b>                    | ordinary shares of 1p each in the capital of the Company, including, where the context requires, the Subscription Shares.                                                                                                                                                                                                 |
| <b>Overseas Shareholders</b>              | holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians |

for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions.

**Premium Listing**

a Premium Listing on the Official List under Chapter 6 of the Listing Rules.

**Pre-IPO Financing**

the subscription, at a subscription price of 3 pence per share, for 10,833,332 Ordinary Shares.

**Pre-IPO Proceeds**

gross proceeds of £325,000 raised for the Company pursuant to the Pre-IPO Financing.

**Prospectus Regulation**

the Regulation of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (no. 2017/1129).

**Prospectus Regulation Rules**

the Prospectus Regulation Rules of the FCA.

**Registrar**

Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR.

**Regulation S**

Regulation S promulgated under the Securities Act.

**Regulated Information Service or RIS**

one of the regulated information services authorised by the RIS or FCA to receive, process and disseminate regulator information in respect of listed companies.

**Reverse Takeover**

a transaction defined as a reverse takeover in Listing Rule 5.6.4R (which would include the Acquisition but additionally, in the context of a “special purpose acquisition company” such as the Company, may include entering into any agreements or the commencement of operations whether effected pursuant to a transaction or otherwise).

**Securities Act**

the United States Securities Act of 1933, as amended.

**Senior Manager**

David Orchard, details of whom are set out at paragraph 2 of Part II of this document.

**Shareholders**

holders of Ordinary Shares.

**SI Capital or Broker**

SI Capital Ltd, authorised and regulated by the Financial Conduct Authority with firm reference number 230687, acting as a broker to the Company with effect from Admission.

**Standard Listing**

a standard listing on the Official List under Chapter 14 of the Listing Rules.

**Subscription**

the proposed conditional Subscription for the Subscription Shares by or on behalf of the Company at the Subscription Price and on the terms and subject to the conditions set out in this document.

|                                 |                                                                                                            |
|---------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Subscription Price</b>       | 3p per Ordinary Share.                                                                                     |
| <b>Subscription Proceeds</b>    | the gross proceeds of £809,437 raised for the Company pursuant to the Subscription.                        |
| <b>Subscription Shares</b>      | the 26,981,233 new Ordinary Shares which are proposed to be issued pursuant to the Subscription.           |
| <b>subsidiary</b>               | has the meaning given to it by section 1159 CA 2006.                                                       |
| <b>Takeover Panel</b>           | the Panel on Takeovers and Mergers.                                                                        |
| <b>UK or United Kingdom</b>     | the United Kingdom of Great Britain and Northern Ireland.                                                  |
| <b>UK Prospectus Regulation</b> | the UK version of the Prospectus Regulation (EU) 2017/1129, which is part of UK law by virtue of the EUWA. |
| <b>United States, US or USA</b> | the United States of America, its territories and possessions.                                             |
| <b>Warrants</b>                 | Broker Warrants and Directors and Management Warrants.                                                     |