

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to consult an independent professional adviser authorised under the Financial Services and Markets Act 2000, as amended, (the "FSMA") who specialises in advising on the acquisition of shares and other securities (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

This document constitutes an AIM admission document relating to ActiveOps plc (the "**Company**") and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been nor will it be approved by, or filed with, the Financial Conduct Authority ("**FCA**") or any other authority which would be a competent authority for the purposes of the UK Prospectus Regulation.

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

Application has been made for the Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 29 March 2021. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been, or is intended to be, made for the Ordinary Shares to be admitted to trading on any other such exchange. It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List.

The Directors whose names, addresses and functions appear on page 9 of this document and the Company (whose registered office appears on page 9 of this document) accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk. In particular, the attention of prospective investors is drawn to Part II of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.

ActiveOps plc

(incorporated and registered in England and Wales with registered no. 03125867)

Placing of 45,048,390 Ordinary Shares at 168 pence per share and Admission of the Issued Share Capital to trading on AIM

Nominated Adviser, Financial Adviser, Sole Broker and Sole Bookrunner



The Placing is conditional, amongst other things, on Admission taking place on or before 29 March 2021 (or such later date as the Company and Investec Bank plc may agree, but in any event not later than 16 April 2021).

Investec Bank plc ("**IBP**") or Investec Europe Limited (trading as Investec Europe) ("**IEL**") acting as agent on behalf of IBP in certain jurisdictions in the EEA (as the case may be, IBP and IEL, shall hereinafter be referred to as "**Investec**"). IBP is authorised by the Prudential Regulation Authority (the "**PRA**") and regulated in the United Kingdom by the FCA and the PRA. IEL, acting as agent on behalf of IBP in certain jurisdictions in the EEA and is regulated in Ireland by the Central Bank of Ireland. Investec is acting exclusively as nominated adviser, financial adviser, sole broker and sole bookrunner to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Investec or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Investec's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, Investec does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Investec accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States or under any applicable securities laws of any of the Prohibited Territories. The Ordinary Shares may not be offered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares are being offered and sold only in "offshore transactions" outside the United States in reliance on, and in accordance with, Regulation S under the Securities Act. No public offering of the Ordinary Shares is being made in the United States.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website www.activeops.com.

PRESENTATION OF INFORMATION

General

Prospective investors should only rely on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or Investec. No representation or warranty, express or implied, is made by Investec as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Investec as to the past, present or future. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary admission document pursuant to the AIM Rules for Companies, neither the delivery of this document nor any subscription or sale made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this document or that the information in it is correct as of any time after the date of this document.

The Company will update the information provided in this document by means of a supplement to it if a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in this document. Any supplementary admission document will be made public in accordance with the AIM Rules for Companies.

The contents of this document are not to be construed as legal, financial or tax advice. Each prospective investor should consult a legal adviser, an independent financial adviser duly authorised under FSMA or a tax adviser for legal, financial or tax advice in relation to any investment in or holding of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investing in and holding the Ordinary Shares involves financial risk. Prior to investing in the Ordinary Shares, prospective investors should carefully consider all of the information contained in this document, paying particular attention to the section entitled "Risk Factors" in Part II of this document. Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information contained in this document and their personal circumstances.

Investec, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively as nominated adviser, financial adviser, sole broker and sole bookrunner to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Investec or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Investec's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, Investec does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Investec accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

In connection with the Placing, Investec and any of its affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Investec and any of its affiliates acting as investors for their own accounts. Investec does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Investec and its affiliates may have in the past engaged, and may in the future, from time to time, engage in transactions with, and provided various investment banking, financial advisory and other ancillary activities in the ordinary course of their business with the Company, in respect of which they have received, and may in the future receive, customary fees and commissions. As a result of these transactions, these parties may have interest that may not be aligned, or could possibly conflict, with the interests of investors.

Notice to prospective investors in the UK and overseas

This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person to whom, or in any jurisdiction in which, such offer or solicitation is unlawful and is not for distribution in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would be in breach of any law and/or regulations (the "**Prohibited Territories**"). The Ordinary Shares have not been, and will not be, registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States or under any applicable securities laws of any of the Prohibited Territories. The Ordinary Shares may not be offered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares are being offered and sold only in "offshore transactions" outside the United States in reliance on and in accordance with Regulation S under the Securities Act. No public offering of the Ordinary Shares is being made in the United States.

The distribution of this document and the Placing in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, the Directors or Investec to permit a public offer of Ordinary Shares or to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required. This document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company, the Directors and Investec to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area (each, a "**Relevant Member State**"), no Sale Shares have been offered, or will be offered, pursuant to the Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Sale Shares which has been approved by the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that offers of Sale Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- A. to any legal entity which is a "qualified investor" (as defined in the Prospectus Regulation);
- B. to fewer than 150, natural or legal persons (other than "qualified investors") in such Relevant Member State; or
- C. in any other circumstances falling within Article 4(2) of the Prospectus Regulation,

provided that no such offer of Sale Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant Member State and each person who initially acquires any Sale Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. For the purposes of this provision, the expression "an offer to the public" in relation to any offer of Shares in any Relevant Member State" means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Sale Shares to be offered so as to enable an investor to decide to purchase the Sale Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State.

Forward-looking statements

This document contains statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "anticipate", "believes", "could", "would", "envisage", "estimate", "expect", "aim", "intend", "may", "plan", "project", "target", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors

concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, objectives and strategies of the Company and the industry in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Group operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document. Prospective investors are strongly recommended to read the risk factors set out in Part II of this document for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Group operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as at the date of this document. The Company expressly disclaims any undertaking or obligation to update or revise publicly the forward-looking statements contained in this document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this document, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules for Companies).

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Group operates, or the Group's position therein, are based on the Group's records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

This document makes reference to two reports by Gartner, the highly respected technology research and advisory company:

- Hype Cycle for the Digital Workplace 2020 (published on 17 July 2020); and
- Hype Cycle for Human Capital Management Technology 2020 (published on 27 July 2020).

Presentation of financial information

The report on financial information included in Part III of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its inclusion in this document appearing in Part IV of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document, including the Company's audited consolidated financial statements for the years ended 31 March 2018, 2019 and 2020 and the notes to those financial statements, has been prepared in accordance with IFRS.

Non-IFRS information

This document contains certain financial measures that are not defined or recognised under IFRS, including EBITDA. EBITDA results from Group operating profit adjusted for depreciation and amortisation, share-based payments and exceptional items. Information regarding EBITDA or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of EBITDA or similar measures and the criteria upon which EBITDA or similar measures are based can vary from company to company. EBITDA alone does not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

Rounding

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add

up to 100 per cent.

Currency presentation

In the document, references to "sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom and references to "\$", "USD" and "dollars" are to the lawful currency of the United States. Unless otherwise stated, the basis of translation of sterling into US dollars for the purposes of inclusion in this document is \$1.37/£1.00 (being the exchange rate prevailing on 24 March 2021 (being the latest practicable date prior to the publication of this document)).

Unless otherwise indicated, the financial information contained in this document has been expressed in pounds sterling. The Group presents its financial statements in sterling.

No incorporation of website information

The contents of the Company's website or any hyperlinks accessible directly or indirectly from the Company's website do not form part of this document and prospective investors should not rely on such information.

Defined terms and references

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the sections of this document under the headings "Definitions" and "Glossary of technical terms".

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

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

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

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Sale Shares have been subject to a product approval process, which has determined that the Sale Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Sale Shares offer no guaranteed income and no capital protection; and an investment in the Sale Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Investec will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

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PLACING STATISTICS

Placing Price	168 pence
Number of Sale Shares to be sold pursuant to the Placing	45,048,390
Issued Share Capital	71,320,680
Percentage of the Issued Share Capital represented by Sale Shares	63.2 per cent.
Gross proceeds of the Placing receivable by the Selling Shareholders	£75.7 million
Estimated net proceeds of the Placing receivable by the Selling Shareholders ¹	£73.4 million
Market capitalisation of the Company at the Placing Price at Admission	£119.8 million
ISIN number	GB00BLH37Y17
SEDOL number	BLH37Y1
AIM TIDM	AOM
LEI	213800RHBFOK6YNI3B30

- (1) *Net proceeds received by the Selling Shareholders are stated after deduction of placing commissions (including the maximum amount of any discretionary commissions that the Selling Shareholders (as the election of the Company) may decide to pay) and other expenses of approximately £2.3 million. The Company will not receive any of the proceeds from any sale of the Sale Shares by the Selling Shareholders in the Placing.*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	2021
Publication of this document	25 March
Admission and commencement of dealings	8.00 a.m. on 29 March
CREST accounts credited (where applicable)	29 March
Despatch of definitive share certificates (where applicable)	from 29 March

Each of the above times and dates set out above and mentioned elsewhere in this document may be subject to change at the absolute discretion of the Company or Investec without further notice. References in this document are references to London time unless otherwise stated.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Sean Francis Paul Finnan (<i>Independent Non-executive Chairman</i>) Richard John Jeffery (<i>Chief Executive Officer</i>) Patrick ("Paddy") Alexander Deller (<i>Chief Financial Officer</i>) Michael ("Mike") Gerald McLaren (<i>Independent Non-executive Director</i>) Hilary Wright (<i>Independent Non-executive Director</i>)
	all of: One Valpy 20 Valpy Street Reading RG1 1AR
Company Secretary	Rebecca Hughes
Registered and Head Office	One Valpy 20 Valpy Street Reading RG1 1AR
Nominated Adviser, Financial Adviser, Sole Broker and Sole Bookrunner	Investec Bank plc 30 Gresham Street London EC2V 7QP
Legal Advisers to the Company as to English law	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Legal Advisers to the Company as to Australian law	Gilbert + Tobin Level 22/101 Collins St Melbourne VIC 3000 Australia
Legal Advisers to the Company as to South African law	CMS RM Partners 85 Grayston Drive 5th Floor Sandton 2196 Johannesburg South Africa
Legal Advisers to the Company as to the US law	Reinke Law, PLLC 177 Huntington Avenue Suite 1703 Box 46556 Boston MA 02115-3153 USA

Legal Advisers to Investec as to English law	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Auditors	RSM UK Audit LLP One London Square Cross Lanes Guildford Surrey GU1 1UN
Reporting Accountant to the Company	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Tax Adviser to the Company	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Public Relations Adviser to the Company	Alma PR 71-73 Carter Lane London EC4V 5EQ
Company website	www.activeops.com

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"Admission"	the admission of the Issued Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the AIM Rules for Companies, as published by the London Stock Exchange from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers, as published by the London Stock Exchange from time to time
"Articles"	the articles of association of the Company adopted by special resolution to take effect immediately prior to Admission, a summary of certain provisions of which is set out in paragraph 5 of Part IV of this document
"Board" or "Directors"	the board of directors of the Company whose names are set out on page 9 of this document
"Calculus"	Calculus Nominees Limited of 104 Park Street, Park Street, London, England, W1K 6NF (a wholly-owned subsidiary of Calculus Capital Limited)
"certificated" or "in certificated form"	in relation to an Ordinary Share, recorded on the Company's register as being held in certificated form (that is not in CREST)
"CGT"	Capital Gains Tax
"Companies Act"	the Companies Act 2006, as amended
"Company"	ActiveOps plc, a company incorporated in England and Wales with registered number 03125867
"Corporate Reorganisation"	the corporate reorganisation described in paragraph 3 of Part IV of this document
"CREST"	the electronic share settlement system for trading shares in uncertificated form operated by Euroclear in accordance with the CREST Regulations
"CREST Regulations" or "Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"Disclosure and Transparency Rules" or "DTRs"	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
"EBITDA"	earnings before interest, taxation, depreciation and amortisation
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Existing Ordinary Shares" or "Issued Share Capital"	the 71,320,680 Ordinary Shares that will be in issue immediately prior to Admission following the Corporate Reorganisation

"Existing Shareholders"	holders of Ordinary Shares immediately prior to Admission following the Corporate Reorganisation
"FCA"	the UK Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended
"GDPR"	the General Data Protection Regulation (EU) 2016/679
"Group" or "ActiveOps"	the Company and its subsidiary undertakings (as defined in the Companies Act)
"HMRC"	Her Majesty's Revenue & Customs
"IFRS"	the International Financial Reporting Standards as adopted by the International Accounting Standards Board and the EU
"Investec"	Investec Bank plc, the nominated adviser, financial adviser, sole broker and sole bookrunner to the Company
"ITEPA"	Income Tax (Earnings and Pensions) Act 2003
"LEI"	legal entity identifier
"London Stock Exchange"	London Stock Exchange plc
"Major Selling Shareholders"	Calculus, Richard Jeffery, Neil Bentley, Paul Moroney as trustee of the Moroney Family Trust, Moroney Capital Pty Ltd as trustee of the Moroney Family Superannuation Fund, Sean Finnan and Patrick Deller
"MAR"	the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018
"Net Revenue Retention" or "NRR"	the movement in recurring revenue from existing customers (i.e. a customer at the beginning of the period being measured) during the period being presented
"OCP"	Organisation Consulting Partnership LLP
"Official List"	the list maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA
"OpenConnect"	OpenConnect Systems Incorporated
"Ordinary Share"	an ordinary share with a nominal value of £0.001 (0.1 pence) in the capital of the Company following the Corporate Reorganisation
"Placees"	persons to be procured by Investec to purchase Sale Shares pursuant to the provisions of the Placing Agreement
"Placing"	the conditional placing of the Sale Shares at the Placing Price pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional agreement dated 25 March 2021 made between the Company, the Directors, the Major Selling Shareholders, the Selling Agent and Investec relating to the Placing and Admission and which is summarised in paragraph 8.1 of Part IV of this document
"Placing Price"	168 pence per Sale Share

"Prohibited Territories"	the United States, Australia, Canada, the Republic of South Africa, Japan and any other jurisdiction in which it is a violation of the relevant laws, local laws or regulations of such jurisdiction to release, publish or distribute information concerning the Placing or Admission, directly or indirectly, in, into or from, and by any means
"Prospectus Regulation"	the EU Prospectus Regulation 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing EU Prospectus Directive 2003/71
"Prospectus Regulation Rules"	the prospectus regulation rules made by the FCA under Part VI of FSMA
"QCA Code"	the QCA Corporate Governance Code, as published by the Quoted Companies Alliance from time to time
"Recognised Stock Exchange"	as defined in section 1137 of the Corporation Tax Act 2010 and section 1005 of the Income Tax Act 2007
"Registrars"	Equiniti Limited whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
"Sale Shares"	the 45,048,390 Existing Ordinary Shares to be sold by the Selling Shareholders pursuant to the Placing
"Securities Act"	the United States Securities Act of 1933, as amended
"Selling Agent"	Equiniti Financial Services Limited whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
"Selling Shareholders"	those Shareholders who are selling Ordinary Shares pursuant to the Placing, as listed in paragraph 16 of Part IV of this document
"Share Plans"	the ActiveOps plc Company Share Option Plan 2021 (" CSOP 2021 "), the ActiveOps plc Performance Share Plan 2021 (" PSP 2021 "), the ActiveOps plc Share Incentive Plan 2021 and the ActiveOps plc Buy As You Earn Share Plan 2021, the terms of each are set out at Part IV of this document, and each being a " Share Plan " and together, the " Share Plans "
"Shareholders"	the holders of Ordinary Shares
"Statutes"	every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) concerning companies that are incorporated in England and Wales to the extent that it is for the time being in force or (where the context requires) was in force at a particular time, including the Companies Act and the Regulations
"subsidiary" and "subsidiary undertaking"	has the meaning given to them by the Companies Act
"Takeover Code"	the UK City Code on Takeovers and Mergers
"Takeover Panel"	the Panel on Takeovers and Mergers
"UK Prospectus Regulation"	the EU Prospectus Regulation 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing EU Prospectus Directive 2003/71, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018

"uncertificated" or "in uncertificated form"	in relation to an Ordinary Share, recorded on the Company's register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"VAT"	UK value added tax
"\$" or "dollars"	US dollars, the lawful currency of the United States
"£" or "sterling"	UK pounds sterling, the lawful currency of the United Kingdom

Notes:

- (1) *Any reference to any provision of legislation includes any amendment, modification, re-enactment or extension of it. Words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.*

GLOSSARY OF TECHNICAL TERMS

The following glossary of technical terms applies throughout this document, unless the context otherwise requires:

"AI"	artificial intelligence
"AOM"	Active Operations Management
"API"	application programming interface
"ARR"	annual recurring revenue
"BPM"	business process management
"BPO"	business process outsourcing
"ControlIQ"	back office workforce optimisation software application which is one of the components of the <i>Workware+</i> platform developed and sold by the Group
"customer churn"	the previous 12 months software revenue lost from a customer as a result of a customer ceasing all use of ActiveOps solutions, expressed as a percentage of the Group's total annual recurring software revenues at the end of the financial year prior to that in which usage ceased
"EPM"	employee productivity monitoring
"ERP"	enterprise resource planning
"FTE"	full-time equivalent
"FY16"	the financial year ended 31 March 2016
"FY17"	the financial year ended 31 March 2017
"FY18"	the financial year ended 31 March 2018
"FY19"	the financial year ended 31 March 2019
"FY20"	the financial year ended 31 March 2020
"H1'20"	the six months ending 30 September 2019
"H1'21"	the six months ending 30 September 2020
"HCM"	human capital management
"MPA"	Management Process Automation is the automation of otherwise manual activities undertaken by people in managing the performance of operations, such as data consolidation, report production, forecasting, capacity planning and responding to variations in performance versus planned performance
"OpsIndex"	an operations performance bench-marking service provided by ActiveOps drawing on anonymised customer data from its <i>Workware+</i> platform
"PaaS Cloud"	Platform as a service (PaaS) is a complete development and deployment environment in the cloud, with resources that enable delivery of everything from simple cloud-based apps to sophisticated, cloud-enabled enterprise applications
"PC"	personal computer
"Q3'21"	the three months ended 31 December 2020
"R&D"	research and development
"REST API" or "RESTful API"	a standards-based mechanism for interchanging data and performing actions between systems using HTTP as a transport. REST APIs are widely used in enterprise and consumer systems alike, and are natively supported by major programming language frameworks, including .Net and Java.
"ROI"	return on investment
"RPA"	robotic process automation
"SaaS"	software-as-a-service, i.e. cloud based and on-premise installed software sold on a subscription license basis
"SLA"	service level agreement
"T&I"	training and implementation

"WorkiQ"

employee productivity monitoring software application which is one of the components of the *Workware+* platform developed and sold by the Group

"Workware+"

management process automation software platform developed and sold by the Group

PART I - INFORMATION ON THE GROUP

1 Introduction

ActiveOps is a leader in Management Process Automation (MPA), providing a SaaS platform to large enterprises with complex and often global back-offices. The Group's software and embedded back-office operations management methodology enables enterprises to adopt a data-driven, scientific approach to organising work and managing capacity.

The Group's software products augment and automate critical operations management activities for forecasting, planning and controlling performance in the back-office. These products, underpinned by the Group's market leading operations management methodology, improve the effectiveness of operations managers and their decision making by improving efficiency, productivity, consistency and service level delivery of their back-office operations. This enables the Group's customers to create more adaptable and agile operations, capable of balancing the variability in work and capacity more successfully and realising the full potential of new digital resources and automation technologies such as robotic process automation (RPA) and artificial intelligence (AI).

Back-office operations management is a large and attractive global market with multiple structural growth drivers. Whilst the market for its products is broad, the Group is primarily focused on customers in banking, insurance and business process outsourcing (BPO). These customers are typically large enterprises, where the back-office operations are large, complex and expensive to run, yet have limited management augmentation and automation technologies in use. The Group has a strong track record of successful implementations across this customer base which represents an addressable market in excess of £750 million in annual recurring revenue and which the Group is well placed to target.

During 2020, the Covid-19 pandemic served to further increase the Group's focus on these growth drivers. In particular, the mass move to home and distributed working has emphasised that many organisations do not have adequate data, insight and management processes to run operations safely and efficiently when the workforce is not co-located in an office. The Directors believe these dynamics will drive further demand for the Group's products from its existing customer base, and by new customers.

The Group's enterprise platform comprises *Workware+*, its MPA software platform, and *AOM*, the Group's operations methodology and framework for effective back-office management. Together, this combination of software and embedded methodology enables operations managers to balance the competing priorities of meeting service and quality standards while improving productivity and reducing cost. The intellectual property behind both *Workware+* and *AOM* has been developed and refined over two decades by the ActiveOps management team, who are among the leading authorities in back-office operations management. The *Workware+* platform consists of two core software products:

- *ControlIQ*: the Group's cloud delivered workforce optimisation software. It consolidates data from the multitude of systems used in a typical back-office setting to provide managers with comprehensive, real-time data to support the management of operations performance and provides forecasting and planning functionality; and
- *WorkIQ*: the Group's employee productivity monitoring (EPM) software which analyses a user's interaction with their PC and the applications running on it to provide insights into how their time is spent and the performance of those employees and their employer's processes.

Workware+ also provides customers with access to *OpsIndex*, the Group's benchmarking capability which allows customers to compare the performance of their operations within their own enterprise and with their geographical and industry peer groups.

The *AOM* methodology provides organisations with an effective and practical management process which ensures optimal use of available capacity and a consistent management approach by operations leaders across the back-office. *Workware+* automates and orchestrates key elements of the *AOM* process thus enabling operations leaders to: forecast workloads accurately, build capacity plans, monitor team performance, respond effectively to unexpected events and embed continuous performance improvement in a defined and repeatable manner.

A key benefit of the Group's platform is its ability to significantly and sustainably improve the productivity of back-office operations in a matter of months without requiring changes to business processes or key technology platforms. These productivity improvements are achieved by identifying capacity at risk of being under utilised and enabling it to be used productively by better balancing work and capacity. The Group has demonstrable results for this productivity gain. Across the Group's customer base in which *ControlIQ*

has been deployed over a three year period to 31 December 2020, its software and methodology delivered an average productivity gain of 15 per cent. For a large bank or insurer with 20,000 staff in back-office roles, this represents creation of capacity equivalent to 2,600 full-time equivalent (FTE) staff members.

As at 31 December 2020, the Group had a total of approximately 80 enterprise customers. The Group has significantly increased user numbers in recent years with a track record of new customer wins alongside a proven “land and expand” strategy within its existing customer base. The Group has a clearly defined and validated customer acquisition strategy and in the twelve months to 31 December 2020 has won 13 new customers, including AIG, Standard Life, Morneau Shepell and Molina Healthcare.

As at 31 December 2020, the Group had 163 employees serving its global customer base from offices in the UK, Ireland, USA, Australia, India and South Africa.

For FY20, the Group grew SaaS revenues by 21 per cent. to £16.2 million (of which 13 per cent. was organic growth) (£13.4 million for FY19). Total Group revenues grew 13.5 per cent. to £20.4 million (£18.0 million for FY19). The Group continues to invest in its product offering, with all R&D costs fully expensed to the Group’s profit and loss account. The Group has a track record of strong organic growth, supported by its growing customer base with NRR of between 105 and 111 per cent. in each of the last three financial years.

Whilst the Covid-19 pandemic is continuing to have an adverse and disruptive effect on the global economy, the Directors believe the Group’s commercial model of high recurring revenues and strong cash-flow generation is well positioned should the pandemic continue to disrupt the global economy. In H1’21, the Group’s SaaS revenues grew 14 per cent to £8.6 million (£7.5 million for H1’20) with total revenues of £9.4 million. Post period end, the Group has continued to experience strong tailwinds with quarterly SaaS sales performance in Q3’21 at a record high in the Company’s history, and training and implementation (T&I) revenues recovering strongly from the impact of projects being paused at the start of the pandemic. The Directors are encouraged by the performance in the year to date and are confident about the future prospects of the Group.

2 History and background information

The Group’s development since incorporation can be explained in four distinct phases:

2.1 Genesis of ActiveOps (1994 – 2004)

The Group’s AOM methodology was originally developed from Richard Jeffery and Neil Bentley’s work advising clients at OCP, a specialist management consultancy. They focused on improving the performance of back-office operations across a range of sectors and developed a deep expertise in the planning and control of back-office work. In 1995, OCP entered into a joint venture arrangement with Iconics UK Ltd, a bespoke software development company, to form ActiveOps (formerly known as Workware Business Systems Limited), with the task of productizing the AOM methodology into the first version of the Workware software platform (OCP became the sole owner of the Company in 2002).

Early customers of the software were primarily in the financial services sector. During this period, Richard and Neil focused on industrialising the Group’s software to provide a defined and consistent management process. A deployment framework able to operate at scale and ensure the Group did not limit its growth was vital to early success.

2.2 ActiveOps established as a standalone business and international expansion (2005-2011)

In 2005 Richard and Neil left OCP to take ownership of and to manage the Company and the wider Group as a pure-play operations management software vendor, initially with OCP as a shareholder. The Group also established an Australian franchise in 2005 to distribute and implement the Group’s software and AOM methodology to clients in the Australasia region. During this period, a cloud-deployed version of the Group’s software was developed and released along with a consumption-based charging model. The Group’s strategy was to target large enterprises with significant back-office operations and no existing formal operations management solution. ActiveOps continued to expand in this period with its software being used in 35 countries. Subsidiaries were established in India and South Africa initially to service contracts with multi-national customers in those jurisdictions and subsequently to execute local sales. Initial customers were also secured in North America via a regional franchise organisation.

The success of the international expansion led to OCP exiting the Group in 2007.

2.3 **Scaling up and growth (2012 – 2019)**

Having successfully established ActiveOps as a cloud-based software platform with proven international capabilities, the Group began to scale-up its business. Calculus invested £5 million in the Company in 2014 in order to fund the Company's investment in its sales capabilities to match the Group's international opportunities.

To further the Group's international ambitions, it established a US-based division to directly target the North American market opportunity. In March 2017 the Group opened an office in New York with Richard Jeffery moving to New York to help accelerate this expansion. At this time, the Group novated the existing customers of its North American franchise and began to manage these customers directly.

In 2018, the Group began to invest in developing its partner eco-system to increase its profile and increase its ability to access senior stakeholders in key target accounts. The Group has established partnerships with major consultancies such as KPMG and PricewaterhouseCoopers LLP and providers of adjacent technology such as Microsoft and SS&C Technologies Inc.

Whilst the Group has focused primarily on organic growth, it also made a number of strategic acquisitions in this period to take advantage of specific opportunities. RedOwl Technology Limited was acquired in 2014 due to its complementary back-office support technology which offered the ability to meet a wider range of customer forecasting and planning use cases. The Group also brought in-house its Australian reseller in 2017 allowing it to consolidate the significant user base in the Australasia market.

In August 2019, the Group acquired US-based, OpenConnect for \$7 million in order to add the *WorkiQ* EPM technology as well as automated data capture and desktop monitoring/mining technologies to the *Workware+* platform. The acquisition also allowed the Group to benefit from OpenConnect's established market presence and strong relationships within the US health insurance sector, one of the Group's key target markets.

2.4 **Platform for next phase of growth (2020 to present day)**

In April 2020 the Group completed the re-platforming of its core software, launching *ControlIQ* as the next generation of the *Workware* software application and creating the *Workware+* platform by incorporating the *WorkiQ* product acquired from OpenConnect. *ControlIQ*, built on a modern Microsoft Azure PaaS application, enables the Group to increase its pace of R&D development, deploy upgrades and newer versions of the Group's software more efficiently. The new platform also significantly increases the ability of *ControlIQ* to integrate with customer's existing applications, enabling further operating cost savings and ROI from the Group's technology.

In recognition of the expanded capability of *Workware+* and the increasing convergence of workforce management and EPM, the Group has positioned this as MPA to best describe the process by which the Group's software is used to increasingly automate the process of management of the back-office. Whilst not an established software category, the Group believes MPA to be representative of both existing and intended future capability as well as a highly relevant category for the modern, digital workplace.

Having added the *WorkiQ* product to the *Workware+* platform and retained strategic US health insurance customers and key personnel from OpenConnect, the Group sold the remaining non-core customers and legacy mainframe products of OpenConnect to Rocket Software Inc in October 2020 for an initial consideration of \$19 million (subject to working capital adjustment). The proceeds from the divestment have been used to significantly enhance the Group's balance sheet moving it to a net cash position of £7 million as at 31 December 2020.

As a result of Covid-19, the Group also updated its T&I approach to enable customer deployments to be successfully delivered without the Group's employees needing to be physically present on the customers' premises.

Furthermore, with Covid-19 likely to see permanent changes to global back-offices, the Directors have seen market interest increasing for the Group's platform as Covid-19 further highlights the limitations of many organisations' operational control capabilities.

3 Key Strengths

The Directors believe that the Group has the following key strengths.

3.1 ***Leading management process automation software solution***

The Group's *Workware+* platform has been developed over 25 years specifically for the complex needs of large enterprises with complex and often global back-offices. *Workware+* was designed from the outset to cope with the significant variety of work types and service levels which exist within the enterprise back-office. Many competitor products were originally conceived to manage a specific niche of operations workload (such as telephone calls) or address different business needs (such as fraud prevention) and then subsequently applied to the back-office. The Directors believe that the specific design and broad applicability of *Workware+* and its highly scalable architecture create a significant competitive advantage.

3.2 ***Deep domain expertise and proven operations management methodology***

The management team at ActiveOps has been a leading authority in back-office operations management for over 25 years. This deep domain expertise and experience is captured in the Group's *AOM* method, which in turn is embedded within the *Workware+* software platform. The Directors believe that the proposition of MPA software which applies best practice operations management methods whilst enabling better data-led decisions is a significant advantage for the Group when competing with rival technology firms who are reliant on their customers to define the operations metrics and management processes used in each deployment. The Directors believe that the Group's sector authority allows it to continually evolve the solutions in ways which are compelling to its user base.

3.3 ***Immediate quantifiable productivity gains and a broad range of long-term business benefits including acceleration of digital transformation***

The Group's products have a proven track record of delivering a quantifiable ROI for customers by identifying and making best use of capacity that would otherwise be poorly utilised. Further productivity gains are achieved by providing managers with insights which enable them to better motivate/manage staff performance and from reducing the time taken by leaders to execute key management processes. In the 78 deployments of *ControlIQ* undertaken by ActiveOps in the three years to 31 December 2020, the average productivity gain recorded by customers was 15 per cent. Customers then have the choice of how best to utilise this additional capacity. Typically customers look to resolve a range of business issues, for example: to improve delivery of service level targets, reduce backlogs of work, absorb additional work volumes, invest in projects, reduce overtime and reduce costs.

Once embedded at the heart of a customer's back-office operations, the Group's solutions help deliver a broad range of additional long term improvements including: better compliance with regulation, risk reduction and greater employee engagement. The Group's solutions also provide greater visibility and control over all aspects of the modern 'blended' workforce; humans (both in offices and working remotely); software robots (RPA); and BPO vendors. This visibility and control is a significant enabler for organisations operating with a dispersed workforce either as a chosen operating model or as a result of the Covid-19 pandemic. Customers with enterprise wide deployments are able to confidently make what were previously risky decisions about sharing resources and work across divisions of the enterprise. This capability was especially valued by the Group's customers during the initial Covid-19 lock-down period when resource availability was reduced and work volumes fluctuated in unprecedented ways.

3.4 ***Differentiated proposition and market message***

The Group built *AOM* and *Workware+* with reference to well established academic models of motivation and human performance. The Group's solutions promote the use of performance data in an open manner which treats employees with respect, focuses on outcomes not just inputs and motivates staff to achieve individual, team and organisational targets. These design principles are differentiated from competitors whose technology solutions are more focused on employee monitoring and measurement than on employee motivation and performance. This positioning is strongly aligned with modern views on effective human performance management as voiced by academic and analyst communities.

3.5 ***Diversified and long term blue-chip customer base and low customer churn rate***

The Group serves large enterprise customers, predominantly in the banking, insurance and BPO sectors. It has built an installed base of approximately 80 customers (and over 100,000 individual users) across EMEA, North America, APAC, and India. The Group has low levels of customer concentration, with the

largest customer representing 9 per cent. of SaaS revenue for FY20. Typically, the Group's solutions become deeply embedded in its customers' operating model, leading to low customer churn. During each of FY17 to FY20 customer churn was 2 per cent. or less. In the nine months to 31 December 2020, customer churn continues to be low (approximately 1 per cent.). The Group benefits from numerous long-standing customer relationships with 18 of the current 78 customers having used the Group's solutions for more than 10 years.

3.6 *Strong track record of new customer acquisition*

The Group has invested in recent years in building its direct global sales team and has a strong track record of new customer wins. The Group added 13 new customers in the calendar year to 31 December 2020, including AIG, Standard Life, Morneau Shepell and Molina Healthcare, taking total enterprise customers to 78. The Directors have identified their primary target customers within the Group's focus sectors (both potential and existing customers) and estimate these opportunities alone represent approximately £750 million of potential ARR.

3.7 *Proven ability to grow revenue from existing customers*

The Group has had demonstrable success in driving organic revenue growth from existing customers. Ten of the top 20 ARR producing customers during FY20 were also customers in FY16. Over this period, the ARR from this same group of customers doubled. In addition, in the nine months to 31 December 2020, the run rate ARR from this cohort has increased by a further 10 per cent. The Directors believe that clear, quantifiable ROI, ease of implementation and the Group's ability to deliver visibility and control across large, but diverse operations, has been key to this growth. Recent new logo wins such as Allianz, AIG and UBS have large addressable employee bases, and as a result the Directors believe there is up to a £70 million ARR opportunity within the Group's primary expansion targets.

3.8 *Robust commercial model with high levels of recurring revenue and cash generation*

The Group has a robust commercial model with high levels of recurring revenue which provides good forward visibility of revenues and strong cash generation. In FY20, 79 per cent. of the Group's revenues were recurring SaaS revenues, predominantly billed annually in advance. Recurring SaaS revenues represent an increasing proportion of the Group's total revenues: 75 per cent. in FY19 and 70 per cent. in FY18. SaaS revenues are supplemented by T&I revenues (19 per cent. of Group revenues in FY20), typically recognised over the implementation period of between three and twelve weeks. The Group enjoys high gross margins, typical of a SaaS software business, and, having invested in recent years in its technology and sales infrastructure, has inherent operational leverage within its business model. In FY20, gross margin on SaaS revenues was 82 per cent. and 43.2 per cent. on T&I revenues.

The Group has a strong history of consistent cash generation. It typically receives cash upfront for its SaaS revenues and net cash flow inflows from operations (before tax) was £1.2 million in FY20. Following the disposal of the non-core products and customers of OpenConnect, the Group had a cash balance of £7 million as at 31 December 2020 with no debt.

3.9 *Proven management team*

The Group's management team have extensive expertise alongside a proven ability to grow the Group's business across customer verticals, new geographies and through successfully executed M&A. The average senior management tenure is seven years and incorporates a blend of long-standing operations management expertise, enterprise software sales experience, critical technical/specialist skills and corporate development experience. The senior management team remains firmly committed to the future growth of the business.

4 *Market overview*

4.1 *Back-office operations*

MPA is targeted at the heart of back-office automation, specifically for enterprises with large, complex and often geographically dispersed back-office requirements. The back-office is typically the administrative heart of any organisation, responsible for a wide range of process-heavy, largely repetitive workflows such as mortgage application processing, insurance claims handling, payment processing, payroll administration, document management and loan processing. The efficiency, agility and responsiveness of the back-office often defines the customer experience an organisation delivers, thereby impacting customer retention and revenue. Back-offices also represent significant proportions of headcount for many

enterprises, meaning that running lean, efficient operations is an important influencer of key performance indicators such as cost-income ratios.

4.2 *The back-office challenge and why it is becoming more complex*

Most industries have pursued a strategy of centralising back-office processing into large operations centres to achieve economies of scale. As a result, the modern enterprise back-office undertakes thousands of different processes and tasks each day. Each type of work has its own characteristics: arrival patterns, volume drivers, required service levels, skill requirements and required effort to process. Transaction volumes fluctuate significantly due to customer demand. This creates material challenges in building an operating model which ensures sufficient skilled resource is available to complete tasks within agreed service levels whilst avoiding the significant inefficiencies caused by simply staffing each function to match peak demand.

To deliver against both service level agreements (SLAs) and internal budgets, back-offices must build a multi-skilled and technology-enabled workforce. In the first instance, this requires enterprises to establish management processes to create an agile operation capable of providing the capacity with the necessary skillset to complete the required work to set specifications. Achieving this requires precise and timely visibility of the work alongside a capability to accurately forecast future workloads and plan the optimal deployment of resources. This task is further complicated by the technology backdrop which typically features many different applications, both formal and informal, modern and legacy, upon which the work is transacted.

People management in the back-office also requires careful consideration as the repetitive nature of the work means the work itself may not provide intrinsic motivation. Successful operations develop management processes and metrics which are sympathetic to this and provide motivation, challenge, recognition and variety to staff in order to maintain performance and promote wellness in the workforce.

The fundamental complexity of back-office management is increasing as a result of rising customer expectations, digital transformation, escalating compliance requirements, continuous cost pressure, evolving workforce expectations and the implications of the Covid-19 pandemic.

4.2.1 *Customer experience expectations*

Consumer expectations for responsive, effective service levels are more demanding than ever. Transactions once completed in five days are now expected same-day and first-time resolution of queries is considered a must. This leads to more demanding service level targets and prevents peak workloads being smoothed over multiple days, thus increasing the need for multi-skilled staff operating in an agile manner.

It is now typical for customers to engage using a range of different channels (including email, chat, telephone and branch) interchangeably. It was anticipated this transition to multi-channel service would remove work from back-offices by migrating activity to customer self-service channels. The reality is any reduced workload has been replaced by new tasks as a result of customers interacting via multiple channels in relation to the same transaction and the continual requirement for product evolution which organisations must undertake to remain competitive.

4.2.2 *Digital transformation*

Enterprises have invested heavily in digital transformation in order to be more responsive, innovative and efficient. These initiatives often have an impact on back-office processes, sometimes removing processes or tasks, but more commonly causing a change to the nature of the process without completely removing requirement for the work to be processed. Product innovation, regulation, legacy technology debt and a desire for customer facing differentiation means back-offices maintain their scale, but with greater process variety and higher skills requirements despite digitisation and automation.

The already vast and complex range of tasks, each with its own characteristics, is continually changing, creating an ever increasing requirement for adaptability. One example of digital transformation in the back-office is the trend towards automation, most notably in RPA. This represents a clear opportunity to achieve process efficiencies in the back-office and is seeing rapid adoption rates. However, RPA implementations have often not generated the expected ROI. A major contributor to these failures is the lack of effective capacity management of the hybrid human-robot workforce to ensure robot capacity is fully utilised and that the available human capacity is diverted to other tasks.

4.2.3 *Compliance and cost to serve*

Regardless of the ever increasing demands placed upon the back-office, most enterprises expect the cost of back-office operations to reduce year-on-year through continuous improvement, in addition to the cost-savings from major transformation projects. This challenge is made more difficult still by increased regulation, especially in the financial services sector, which creates additional work and restrictions, making optimisation more challenging.

4.2.4 *Workforce expectations*

The challenges from the changing nature of work are magnified by increasing diversity and variety within the modern workforce. Increased frequency of job sharing, flexible working, working from home, outsourcing, off-shoring, and adoption of RPA - all present control and optimisation challenges to operations managers. Motivating and engaging the workforce in an environment where the work itself may offer little intrinsic motivation can also be difficult.

4.2.5 *The Covid-19 pandemic*

Back-office operations are typically office based 'nine-to-five' environments. The Covid-19 pandemic required a rapid shift to home working, adaptation to highly unusual fluctuations in work volumes and increased absence of employees. These conditions created fundamental challenges such as providing hardware and system connectivity for home working but also amplified the importance of having a defined, data driven management process which can continue to optimise the use of capacity and manage/motivate staff once traditional 'line of sight' management approaches were rendered obsolete.

4.3 ***The traditional response***

Operations management processes in back-offices are typically neither standardised nor optimised. This is in stark contrast to the business processes through which transactions are delivered. Re-engineering, standardising and automating business processes to ensure quality, consistency and efficiency has been rigorously pursued. Operations management has typically been a skill learnt from experience and lacks universal standards, approaches and tools. As a result, operations management processes and tool-sets have often been locally developed by individual managers based on their experience and environment. Processes therefore vary across teams, functions and geographies across an enterprise and often are of varying effectiveness. While many of these locally developed approaches may represent good practice, many others will not, and the lack of process consistency removes the ability for operations managers to orchestrate across functions and the wider enterprise. This divergence creates a barrier to breaking the silos created by the multiple workloads and resource pools.

Technologies supporting operations management are often in-house developed solutions, most commonly locally developed spreadsheet tools. This results in solutions which rely on time-consuming and error prone manual intervention to collect, validate, aggregate and analyse data. Such tools reinforce the management process divergence as a result of varying definitions, metrics and planning approaches, and place data in disparate silos. These locally developed tools typically focus on optimising within a single team or function, thus failing to exploit the significant benefits of balancing work and capacity across the wider enterprise.

4.4 ***The MPA response***

MPA brings together two related and established software categories into a single platform:

- workforce optimisation – orchestrating the allocation of capacity to available work in order to maximise customer service and performance; and
- employee productivity monitoring – automated data collection and analysis to provide decision useful insight to managers.

The combination of these capabilities removes and automates many time consuming management tasks and provides data to operations managers to make better, data-led operational decisions.

MPA transforms an enterprise's operations management capabilities from being inconsistent, ad-hoc and informal to a state of consistent good-practice across the enterprise, by:

- providing a single, trusted repository of the data needed to manage performance and capacity, creating new insight which enables managers at all levels to make better, faster decisions;

- orchestrating a consistent, best practice operations management process by automating key management tasks and providing robust, scalable, digital tool-sets for forecasting, planning and operations control; and
- creating enterprise-wide standards, metrics, terminology and management processes which enable capacity to be shared across organisational silos.

The traditional approaches outlined above typically result in organisations staffing their operations teams to be capable of delivering their peak level of work volumes, but therefore having excess capacity during periods of lower work volumes. MPA provides the science and control to move capacity between teams in line with forecast work levels and enables the capacity buffers built into the traditional model to be removed. Furthermore, MPA creates a more adaptable operation, better able to deliver SLAs, deliver the benefits of process improvement and motivate/engage staff.

5 The ActiveOps solution

The Group's solution comprises a SaaS platform combined with the Group's back-office operations management methodology, *AOM*. Through this combination of technology and methodology, the Group addresses the challenges of back-office complexity by collating and standardising disparate data, analysing and presenting this data through a set of digital tools which automate key management processes enabling organisations to optimise their operational performance.

5.1 The Company's business and products

5.1.1 *Workware+* software platform

The Group's *Workware+* software platform operates at the intersection of an enterprise's existing processing systems, such as, its business process management (BPM) and human capital management (HCM) systems, and the new generation of automation tools. The *Workware+* platform captures, processes and analyses data from these systems, providing operations managers with the data and insights to plan effectively, make real-time data-informed decisions and motivate the workforce. *Workware+* orchestrates and delivers the *AOM* method, meaning operations managers across the enterprise work to consistent best-practice process which continually matches work and capacity. The components of the *Workware+* suite are:

- *ControlIQ* - a cloud-based back-office workforce optimisation application which consolidates and aggregates data from multiple sources to provide insight and a suite of forecasting, planning and operations control tools.
- *WorkIQ* - EPM application, which monitors users' interactions with their PC to automatically capture data and produce insight into use of time and efficiency.
- *OpsIndex* - benchmarking capability allowing ActiveOps' customers to compare their performance against key operations management metrics with industry and geographical peer groups.

The Group's *Workware+* software product suite has the following notable features:

Implementation	Easily implemented, often with no intervention by the customer's IT team as <i>ControlIQ</i> is cloud delivered. The software and management tools are usually operational within weeks.
Automation	Previously manual management activities, such as forecasting, planning and production of evidence for performance review meetings are delivered by <i>Workware+</i> , improving accuracy, effectiveness and reducing management effort.
Data capture and consolidation	For most customers, <i>Workware+</i> creates a unique dataset by bringing together for the first time data relating to all types of work and combining it with details of the working time of all resources spent. Without this complete dataset performance insights, forecasting and planning are all compromised. Data is captured via APIs and interfaces from existing applications such as BPM and ERP. Desktop monitoring/mining is also used to gather data from PCs without the requirement to build formal interfaces. These two data sources are augmented with user provided data and consolidated in real-time to provide a complete picture of operations.
Workload and workforce insights	<i>Workware+</i> is pre-configured with the dashboards, reports and metrics required to fuel the <i>AOM</i> method. Managers have accurate management information in

real-time and historically at individual, team, department, division and enterprise level. Standardised reports and metrics ensure consistency and enables rapid adoption. Customer specific requirements can be met by connecting business intelligence tools to *Workware+* or via extracts.

Forecasting and planning tools

Workware+ helps managers predict future workloads, plan for optimal use of the available skills/capacity, set objectives and targets, drive performance improvement and make longer term resourcing decisions. Because data is categorised in the same way across the organisation, common metrics enable consistent objective setting, resource sharing and comparative analysis.

Real time control

Comparison of real time data relating to current operations status against an agreed plan enables deviations from expected outcomes and performance levels to be spotted and corrective action to be taken in a timely manner. Unexpected spikes in work volumes, absences and urgent diversions from core work are safely and efficiently navigated.

Business outcome measurement

In addition to aggregating and analysing data against the organisational hierarchy, it is also analysed against the business outcomes delivered by an operation. This allows the resource cost of producing an outcome (e.g. processing a claim in an insurance company) to be accurately measured and tracked. The work breakdown structure of completing an outcome is also quantified which allows business process improvement and automation opportunities to be identified, justified and the benefits clearly seen.

Benchmarking tools

The huge variety of processes and lack of standard process definitions makes benchmarking back-office operations performance challenging. ActiveOps' benchmark metrics are agnostic to underlying processes, enabling direct comparison between different businesses and activities. In addition to comparing performance over time and between departments within a customer, ActiveOps enables customers to compare their performance against peers and industry standards.

5.1.2 *AOM methodology*

Workware+ has been developed by productising the Group's *AOM* methodology into a repeatable software solution. *AOM* is a management approach and detailed cycle of management activities which creates a "best practice" approach to operations management by creating repeatability and consistency. It leverages the unified data set generated by *Workware+* to help operations managers deliver sustained performance improvement across their organisations.

The *AOM* methodology draws on the Group's operations domain expertise and is influenced by academic research into operations management, human performance and the widely used Lean philosophy.

AOM methodology is based on the principle that high levels of performance are achieved by an active and collaborative approach to capacity planning to achieve an optimal, even pace of work that makes best use of available resources. As part of ActiveOps' T&I programmes, customer operations managers are trained and coached to operate the *AOM* method which is orchestrated by the *Workware+* platform.

The simple management cycle at the heart of *AOM* has four elements: (i) forecasting workloads; (ii) capacity planning; (iii) monitoring and controlling performance against plan; and (iv) reviewing variances to drive continuous improvement. *Workware+* orchestrates this cycle over different time horizons to support short term resource prioritisation through to long term headcount planning.

5.1.3 *Training & implementation*

The Group offers a highly structured programme of training to ensure the best-practice management processes of *AOM* are established with the organisation, alongside software implementation to configure the *Workware+* platform. The typical T&I programme is between three and twelve weeks. All T&I programmes can be delivered remotely with no physical presence at the customer's premises. This approach has been successfully utilised during the Covid-19 pandemic.

Workware+ is largely cloud delivered, meaning no changes are required to the customers underlying business processes or IT infrastructure. The exception is where desktop monitoring/mining technologies are being exploited, which by their nature requires installation on the customer's PCs.

The Group operates a flexible model for delivery of its T&I programmes. These can be delivered either by: ActiveOps' own T&I team of 27 people; in conjunction with the customer's own in-house teams who are typically trained and accredited by ActiveOps; or through a number of accredited third-party partners who provide additional training and implementation resource. Some customers form their own internal centres of excellence to support deployments and ensure AOM best practice filters throughout their organisation.

5.1.4 *Ongoing customer support*

In addition to traditional technical and help desk support, ActiveOps provides ongoing support to the management teams using its solutions via its relationship management team. Relationship managers support senior customer staff or customers' own centres of excellence to ensure the *Workware+* configuration remains optimal, that AOM good practice is maintained and that the expected ROI from the Group's platform are being achieved. This service is highly valued by customers and helps ensure ActiveOps is continually emphasising its customer value story, which helps ensure strong up-sell opportunities and high customer retention.

5.2 **Customer outcomes**

Customers use the Group's products to deliver a range of beneficial business outcomes over the short, medium and long-term.

5.2.1 *Immediate, sustainable productivity gains and release of capacity*

Complex legacy IT architectures and the variety of work in the back-office often mean operation managers lack real-time data about work, capacity and performance requirements to manage the back-office effectively. The Group's solutions rapidly address this gap providing operations managers with the necessary data, in real-time, to make informed decisions about their capacity planning to fit the daily fluctuations in workflow.

Workload fluctuation and the absence of an effective operations management process mean that many organisations fail to make the most effective use of their existing capability and capacity. Teams often operate in silos resulting in productivity varying from day-to-day and team-to-team. In order to meet SLAs, teams are often resourced to meet peak volumes, with poorly utilised capacity at other times. The forecasting, planning and control capabilities of the Group's solutions allow customers to better allocate workloads and resource so that teams across the enterprise work at a consistent rate which reflects their skills and capability rather than the availability of work. This raises the overall productivity of the operation as the pockets of available capacity inevitably caused by workload variation and which are traditionally lost, are identified and used effectively.

In the three-year period to 31 December 2020, the aggregate average productivity gains recorded by new customers through the implementation of the *ControlIQ* application and AOM methodology was 15 per cent.¹ For an organisation with 20,000 staff in operations roles, this equates to over 4 million hours per year (2,600 FTE staff members) or more than £100 million of capacity given back to the business. Customers then have the choice as to how they use that new found capacity, for example: improve delivery of SLAs, reduce backlogs of work, absorb additional work volumes, invest in projects, reduce overtime or reduce costs.

5.2.2 *Service and quality improvement*

Through more accurate and timely management information, improved forecasting, planning and workload balancing, customers are better able to meet committed service and quality levels. Customers are able to flex work and staff across different teams and workloads with greater precision, ensuring that all areas of an operation can meet their SLAs. This improves customer experience and, in some environments, prevents financial and regulatory penalties from failing to meet required standards.

5.2.3 *Enhanced regulatory compliance and operational risk reduction*

The Group's products reduce operational risk by increasing the enterprise's ability to meet committed service and quality levels and helping to ensure staff are not put under pressure to process work at unreasonable rates leading to checks being missed or errors being made.

¹ Based on productivity data recorded and validated by customers on the *Workware+* platform. The analysis above is the aggregate performance of more than 75 deployments between January 2018 and December 2020 covering more than 7,000 full time equivalent staff.

Regulators in some industries are beginning to require organisations to demonstrate they possess adequate capabilities to run their operations safely and have the resilience to cope with business disruption. The Group's solutions provide important data and evidence of an adaptable operating model to answer these requirements.

Regulators are also requiring large financial institutions to evidence their systems and processes in the event of the need to assume emergency central control. Use of ActiveOps' products provides an auditable record of relevant critical back office functions.

5.2.4 *Enabler of digital transformation, automation and other change agendas*

Many organisations have significant digital transformation programmes focused on the back-office. These programmes seek to improve efficiency, improve customer service and reduce costs by automating processes or implementing customer self-service technologies. As a result, back-office operations have been significant adopters of technologies such as RPA.

Understanding and quantifying the back-office operation is vital to designing any transformation and building an accurate business case. The Group's products provide the often absent quantification which allows digital transformation and other change initiatives to be designed based on facts rather than estimates. Realising the benefits of processing improvements and automation in operations is challenging with many changes successfully implemented but making no impact on headcount or resource consumption. The Group's products help remove this risk as resource usage is continually optimised meaning the capacity generated by process improvement is clearly visible and can be realised.

RPA continues to be deployed extensively in the back-office operations of the Group's customers to automate certain manual activities. As in the case for human workers, organisations investing in RPA wish to fully utilise their software robots as well. As a result, the Group's customers are increasingly making use of the Group's solutions to orchestrate and optimise both the human and digital workforce to ensure all operations capacity is utilised effectively.

5.2.5 *Business continuity planning*

The long-term planning functionality of *Workware+* enables enterprises to model continuity scenarios and the associated changes in business volumes and resource availability. In response to these scenarios, customers can assess the impact of mitigation strategies and adjust them as events unfold.

These capabilities have been most recently proven through the Covid-19 pandemic. *Workware+* continued to provide data, insight and operations control, regardless of the location of the workforce, whilst also allowing continuity scenarios to be modelled and monitored. The necessity of keeping back-office operations running led to *Workware+* data becoming visible at the highest level of customer organisations and the Group's solutions being classified as critical applications for business continuity.

5.2.6 *Work from home enablement*

Traditionally the ability of the team leader to have physical line of sight on what was happening in the back-office was a crucial tool in managing back-office operations. Moving to a remote working environment, either by choice or necessity, creates additional challenges. The Group's solutions enable operations leaders to manage the activity of their teams in real-time. In addition, the Group's *AOM* methodology administers a standard daily and weekly operating rhythm of interactions between team managers and frontline staff. These interactions are structured around *Workware+* insights and focus on setting targets, reviewing progress, celebrating success and identifying continuous improvement opportunities. *Workware+* cloud deployment ensures these interactions are effective regardless of whether the worker is in the office or dispersed, meaning productivity, motivation and engagement are maintained.

5.2.7 *A more balanced and engaging working environment for staff*

Back-office operations can be challenging environments in which to maintain high levels of staff engagement and motivation with the work itself considered dry and repetitive. Spikes in work volumes can often lead to staff being placed under significant pressure to work more quickly than is realistic in order to meet SLAs. In comparison, reductions in work volumes can leave staff with insufficient work to keep them busy and motivated. At the same time, operations managers are also expected to allocate time for crucial development and engagement activities (for example training, team meetings, and one-to-one meetings). A lack of accurate, timely performance data can also mean that recognising good performance and challenging poor performance does not occur.

The Group's *Workware+* software and AOM methodology establishes an agile approach to work and resource allocation which drives increased cross-skilling and enables the movement of capacity between team boundaries. This ensures teams under pressure receive additional capacity when needed and excess capacity can be utilised in the most valuable way to the organisation. Engaging with employees in this manner can often drive motivation, challenge, recognition and variety, thereby ensuring a more balanced and engaged workforce in a consistent, accurate and timely manner. In cases where customers have undertaken engagement surveys before and after implementation, staff engagement scores have increased post ActiveOps deployment.

5.3 **Technically robust platform**

The Group's *Workware+* platform has been developed to provide a robust, highly scalable, enterprise-strength software appropriate to tackle the many business challenges faced by enterprises with large, complex back-offices:

- *ControlIQ* is a fully cloud deployed enterprise-grade software product. As such it is quick to implement and new functionality can be easily deployed onto the customers' application. A complete replatforming of *ControlIQ* was completed in 2020 to take advantage of the latest Microsoft Azure cloud environment. The application layer is a robust, scalable RESTful API which enables integration with a range of adjacent technology. The vast majority of the data captured by *ControlIQ* is classified as "non-sensitive" and does not require access to detailed transaction details, such as customer information, account numbers and transaction amounts. As a result, customer's information security officers rarely raise concern with *ControlIQ* being cloud delivered.
- *WorkiQ* is an on-premise solution, deployed on each device. *WorkiQ* analyses desktop activity and passes data to the *WorkiQ* server component which can be hosted within a customer's on-premise or cloud IT environment. *WorkiQ* is proven at scale with some customers using the product on more than 20,000 desktops. Information security is a key concern for enterprises when using desktop monitoring/mining technology as sensitive data displayed on the screen may be recorded and therefore captured by the EPM technology. *WorkiQ* has been specifically designed to be deployed within the customers' IT environment therefore ensuring sensitive data remains within the customer's firewalls and control. Non-sensitive data, such as transaction volumes, is transmitted to the Group's cloud servers in order to provide a data collection capability for *ControlIQ*.

Product roadmap

The Group continues to invest in development of the product. In the first half of FY21, 13 per cent of Group revenues were spent on R&D activities and this figure will increase further in the second half of FY21 as additional capability is added. During 2020 ActiveOps completed the re-platforming of the *ControlIQ* application based on latest Microsoft development languages and technologies. As such the Group has a strong technical base, with low technology debt, upon which to deliver new capabilities.

Significant enhancements to the desktop monitoring/mining capabilities acquired with OpenConnect are planned to be released in mid-2021 allowing non technically-skilled users to configure desktop task mining capabilities, therefore increasing the *Workware+* suite's data capture options and reducing the need for customers to develop APIs and interfaces.

Increased activity in the EPM market has caused the Group to increase its planned investment in *WorkiQ* in order to establish ActiveOps as a market leader. The Group will focus on adding further functionality to emphasise its existing key differentiator as a solution seeking to use performance data in an open manner to motivate/engage staff (rather than covertly monitor them) and help organisations balance productivity with employee experience.

The Group has engaged in extensive R&D activity in recent years to develop versions of its solutions which are optimised for non-transactional, knowledge-worker environments where the operations management requirement is different to that of the transactional back-office environment. The Directors believe this could represent a significant new market opportunity with many new users within existing customers and new environments adjacent to existing deployments. The Group's prototype application has been extensively tested with selected customers with very positive results. Given the scale of the potential market and the success of prototype testing, the Group expects to invest further in developing and marketing this capability.

The Group plans to harness AI and machine learning technology via its partnership with Microsoft to further automate management tasks carried out on the platform. These technologies will enable the vast range of work and resource allocation permutations available to operations managers to be automatically evaluated

and optimal strategies quickly selected.

5.4 Case studies

The Group has a strong blue-chip customer base with many long term relationships as result of its solutions becoming an intrinsic part of the customer's operating model. These customers include:

	Major UK Bank	Global Outsourcer and Technology Provider	Leading US Health Insurer
Customer challenge	Recognised the need for technology to standardise operations performance metrics and had developed an extensive in-house solution. Solution met many requirements for performance reporting but lacked forecasting and planning functionality necessary to optimise performance Effort and cost to keep the internal system available and performant was escalating.	Fully exploit the economies of scale from its multi-customer fund administration shared service. Share work and capacity optimally between UK and India processing operations. Differentiate its BPM software used internally and sold externally.	Significant M&A activity led to disparate operations groups with inconsistent metrics and measurement tools. Rapidly increasing claims levels creating pressure on service levels. Process re-engineering projects had failed to deliver much needed efficiency improvements.
Pre-existing capabilities	In-house developed application deployed to several thousand staff.	No explicit operations management technology or method.	An inconsistent mix of locally developed solutions.
ActiveOps solution details	<i>ControlIQ</i> software and <i>AOM</i> method deployed to an initial pilot operation. Significant performance improvements delivered despite in-house solution having been previously deployed. ActiveOps' solutions became the bank's standard and were implemented to more than 7,500 staff in the UK and India.	<i>ControlIQ</i> and <i>AOM</i> deployed to 3,000 users in the UK and India and integrated with the customer's proprietary process management software. Deployment scope extended to include RPA robots. Re-seller relationship established to enable the customer to sell <i>Workware+</i> solutions alongside its own software offerings.	<i>WorkiQ</i> deployed to an initial scope of 5,000 staff. Deployment expanded extensively, as at 31 December 2020 the customer has a total of 25,000 licenses.
Outcomes and benefits	UK based operations achieved an average increase in productivity of 12 per cent. In offshore operations the increase was 18 per cent. Generated more than 800 FTE of capacity release, equivalent to in excess of £17million annual cost saving. Performance improvement used to reduce costs, absorb additional workload and invest time in transformation. <i>Workware+</i> data extensively used by the bank's gold command group during the Covid-19 lock-down. ARR increased ten-fold since initial sale in FY17. Currently in excess of £1.5 million.	ActiveOps solutions in continuous use for 12 years. Credited with enabling a 300 FTE, or £7.5million cost avoidance. <i>Workware+</i> insight used as part of the customer's demonstration of operations control to the FCA.	Initial deployment to 5,000 staff increased time spent on priority work activity by 12 per cent. leading to \$7 million of savings in the first nine months. Subsequent deployment across the enterprise leading to \$37 million of annualised savings. Increased consumption has grown contract size to £1.5 million ARR.

6 Competitive positioning

The Group focuses on the MPA market which can be broadly split into two global markets:

6.1 Back-office work optimisation

Back-office workforce optimisation is a relatively immature market for software vendors and there are few direct competitors focused in this area. Gartner describes the market maturity as "early mainstream" in its "Hype Cycle for Human Capital Management Technology" 2020 report. The Group's main competition in this market comes from:

- *In-house developed solutions*: Many enterprises have developed in-house tools to help manage and optimise their back-office operations. These tools are typically used to record basic levels of data on work volumes and resources, often using generic tools as Microsoft Excel. Development and use of such tools is often localised within a team or department of the back-office. Where the scope of usage is broader, the underlying technologies mean these solutions lack sufficient scalability to be effective for anything other than small user bases and cannot be integrated effectively with other applications. Furthermore, these tools generally require significant levels of manual intervention both to operate and maintain, leading to poor user experience, inaccurate and incomplete data, inconsistent adoption, low-quality functionality and ultimately failure to deliver the required outcomes. These tools also leave the organisation open to regulatory and compliance risks.
- *Direct back-office workforce optimisation competitors*: A small number of specialist back-office workforce management providers, such as Enlighten and Reveal Group, are occasionally encountered by the Group. These organisations are primarily performance improvement consultancies who have developed software capability as a secondary feature in their consulting-led propositions. The Directors believe these solutions remain more focused on their process improvement/redesign heritage and lack the scale, domain expertise, methodology and functionality of ActiveOps.
- *Contact centre workforce management technology vendors*: Contact centre workforce optimisation software providers such as Nice, Verint, and Aspect have been targeting the back-office with their software solutions. Their solutions are designed to drive efficiency through the provision of detailed demand forecasts, short interval resource scheduling and adherence monitoring. Such solutions are well tuned to the contact centre where keeping call queuing times low is a primary objective. The back-office environment is very different, typically involving multiple customer touch-points over a longer-period of time, with both the nature and medium of that contact far more varied and complex. Back-offices usually have an ongoing stock of work in progress that requires managing in line with SLAs, making it much more aligned to a manufacturing environment. Contact centre software vendors have sought to apply their solutions to the back-office with limited success as a result of the mismatch of functionality. These vendors have sought to evolve their solutions for the back-office but with limited domain expertise and focus on this sector have failed to make a major impact.
- *Substitute investment in operational performance improvement programmes*: An organisation seeking to optimise the performance of its back-office operations may consider a range of other investments including:
 - consultancy-led approaches such as operations excellence programmes, process improvement/redesign, Lean or Six Sigma;
 - exploitation of work processing technologies such as BPM, RPA, AI or enhancement of core applications to increase straight-through processing; and
 - outsourcing the delivery of business processes to third parties such as BPOs.

If an organisation has not already identified a requirement for MPA, the Group is often competing for the same investment spend as these initiatives. These solutions provide legitimate means to deliver operational efficiencies but will tend to be expensive and disruptive programmes with long pay-back cycles. Whilst these initiatives deliver performance gains, they will leave the benefits of better operations management unaddressed. In comparison, the Group's solutions offer a highly competitive proposition due to the level of performance improvement (over 15 per cent. improvement in productivity) across the whole operation rather than in individual processes and shorter benefit delivery timelines (typically 12 months). The Group's solutions also ensure the benefits of future performance improvement programmes are more accessible as the AOM method ensures any capacity benefits are visible and accessible.

6.2 Employee Productivity Monitoring (EPM)

EPM is a relatively established market which has gained significant interest as a result of the mass-move to home working during the Covid-19 pandemic. A larger number of software vendors compete in this market, however the Group has significant points of competitive differentiation relating to the enterprise credentials of its software and its more human-centred approach to generating performance improvement from the software's insight.

The Group encounters a larger number of direct software competitors in the EPM market than it does in back-office workforce optimisation. The competitors most commonly encountered are Sapience, Teramind and Time Doctor. Many competitors focus on the SME rather than the enterprise market targeted by ActiveOps where the proven scalability of the *WorkiQ* application is a significant point of differentiation. The functionality of most vendors in this market is centred on monitoring which software applications are in use and analysing this data to interpret the nature of work being undertaken. The Group's *Workware+* platform goes further by being able to track specific sequences of interaction with an application's user interface. This allows it to capture a far richer data set and leads to more powerful insights.

The Group's *WorkiQ* solution has been developed to focus on monitoring the use of time and achievement of key outcomes rather than recording key strokes or screen activity. The software and supporting methodology promotes open use of the data and metrics as a source of insight to drive individual and team performance insight and promote a positive employee experience. This focus represents a highly differentiated proposition which is far more aligned with modern understanding of human performance. Many competitors by contrast offer highly invasive functionality such as key-stroke logging and screen recording as part of their propositions which promote culturally challenging monitoring strategies chiefly focused on identifying bad behaviour by employees.

Once customers using the *WorkiQ* application have become accustomed to the insight it provides, the Group's experience is that it often creates a greater appreciation for the broader data, insights and planning capabilities of *ControlIQ*. This is a source of competitive differentiation for ActiveOps as other providers of EPM technology are unable to offer these capabilities.

7 Route to market

The Group's route to market is predominantly through its direct sales channel, while also operating a maturing partner-led sales model.

The Group's customer acquisition strategy has been validated by its track record of consistently adding new blue-chip customers, including 13 new logo customers in the calendar year to 31 December 2020.

7.1 Direct route to market

The Group's direct sales channel accounted for approximately 86 per cent. of ARR sold in FY20 and 81 per cent. of ARR sold in the first three quarters of FY21 (to 31 December 2020). The Group has 19 salespeople organised regionally: EMEIA (UK, South Africa, India); and North America (New York, Dallas).

The Group has a clearly defined target market for *Workware+* consisting of over 200 enterprises across these regions in the banking and insurance sectors and BPOs supporting these sectors. The Group operates two distinct direct sales models to address this market:

- a proven enterprise sales function focused on selling the Group's full product suite to organisations with the largest potential user bases. ActiveOps' enterprise scalability, low risk implementation, attractive ROIs and operational benefits are especially appealing to the owner of the operations P&L. The relative immaturity of the market means potential customers rarely come to market to immediately purchase an enterprise-wide solution. The Group therefore adopts a land-and-expand strategy to direct sales whereby it sells, implements and delivers benefit to an individual function and then cross-sells to other parts of the enterprise. This sales process features many activities which are common to enterprise software sales including building relationships with a broad range of stakeholders, multiple site visits, product demonstrations and technology reviews. The Group has traditionally experienced an average sales cycle of around nine months for enterprise sales. In FY20 this accelerated to an average of six months, which confirms the Director's belief that the market is maturing. During the current financial year, the Covid-19 pandemic has resulted in new procurement processes being implemented by some customers which have extended the contracting phase of the sales cycle resulting in the average sales cycle returning to around nine months in the nine months to 31 December 2020; and
- a dedicated EPM sales function has been established to capitalise on the high interest levels in this

market. The Directors believe that the rapid switch to home based working has resulted in many potential customers identifying a requirement for EPM solutions and seeking to identify the best fit solution for their needs. Evidence to support these conclusions is found in increased inbound lead flow and analysts such as Gartner experiencing an increased level of inquiries relating to EPM technology. The EPM sales team will seek to capitalise on the current market interest in order to achieve sales to new customers which can both be expanded in scope and up-sold to the full Workware+ suite over time. ActiveOps experience to date is that the sales cycle for EPM sales is shorter than the Group's traditional enterprise sales. In the nine months to 31 December 2020, the average EPM sales cycle was approximately three months.

The Group's sales teams have remained highly active during the Covid-19 pandemic. The sales process for some opportunities was elongated but few opportunities have been lost as a result of Covid-19 impacts. Interest levels in the Group's solutions have increased as a result of the forced move to home-working which exposed the gaps in many organisation's operations management capabilities. The Group's marketing efforts generated three times as many sales leads in 2020 than during 2019.

7.2 **Partner eco-system**

The Group is developing a partner eco-system to complement its direct sales strategy. The Group partners with leading consultancy and technology solutions providers. In FY20, SaaS ARR sold through partner channel increased by 69 per cent. compared to the prior financial year and accounted for 17 per cent. of the total SaaS ARR sold. The Directors believe this expanding eco-system is enabling the Group to further raise the profile and credibility of its products, expand its distribution footprint, accelerate the sales cycle and gain direct access to senior stakeholders.

The Group's channel partners include:

- *PricewaterhouseCoopers*: has been an active partner relationship since 2011 with projects delivered jointly in the US, UK, Australia and Malaysia. *Workware+* is integrated into its Perform solution (a global consulting service).
- *SS&C*: has been an active partner relationship since 2017 (and customer since 2005). *SS&C* sells *Workware+* alongside its own Intelligent Automation platform creating a unique digital operations solution.
- *Microsoft*: ActiveOps became a "managed co-sell partner" of Microsoft in 2020. This designation represents a strong endorsement of ActiveOps and will help promote its solutions across the Microsoft customer network.

8 **Growth strategy**

The Group has a clear and proven growth strategy to penetrate its large addressable market in the key sectors of banking, insurance and BPO. The strategy has five pillars:

8.1 **Exploit expansion potential in existing customer base**

The Group has historically been successful in delivering growth through driving additional revenue from its existing customer base. This strategy comprises up-selling additional products to existing users within an existing customer and also cross-selling the Group's products to adjacent departments, functions and geographies within the same organisation.

The Group's combination of rapid, quantifiable, sustainable ROIs, low disruption during implementation and success in embedding its expertise with customers are the key drivers of enterprise wide adoption following an initial sale. The addressable market potential of the Group's existing target expansion customers represents a potential ARR opportunity of £70 million.

Cross-sales opportunities are generated from a desire to reproduce the benefits of prior deployments in new functions and the appreciation of the importance of a consistent management approach and software platform. As a result, initial deployments can quickly lead to top-down support. The average sales cycle of an expansion sale is typically two months shorter than for a new customer sale.

The addition of the *WorkiQ* product to the *Workware+* platform creates significant new cross-sell opportunities. *WorkiQ* and *ControliQ* provide complimentary insight meaning that implementing both applications to the same user base creates incremental value to that of a single product. Currently there is only a modest overlap in the user bases of the two applications, thus generating significant opportunity for cross-selling.

8.2 **Continue to land new customers**

The Group's new customer acquisition activity is focused on a tightly defined set of banks, insurers and BPOs in its key geographies. The Directors believe these new customers as well as existing customers represent an ARR opportunity of £750 million and is accessible as a result of the Group's strong track record and referenceable customers in the target sectors. In the calendar year to 31 December 2020, the Group added 13 new logo customers, and the Directors believe that the Group's enhanced profile as a listed business will assist in targeting these potential customers.

8.3 **Dedicated employee productivity monitoring go-to-market programme**

The rapid switch to home working caused by the Covid-19 pandemic has driven greater interest in the EPM market. The Group has a highly differentiated offering as a result of its enterprise grade solution and human centric design principles. The Directors also believe that the Group's solution in this market provides an ideal entry point from which to upsell its more comprehensive back-office workforce optimisation solutions. The Group's new dedicated EPM sales team seeks to take advantage of the emergence of the EPM market within which the Directors believe many organisations have decided they wish to purchase a solution and are actively seeking the vendor with the most appropriate product.

8.4 **Develop the partner eco-system**

The Group intends to continue the development of its partner eco-system, leveraging partner relationships to accelerate the sales cycle, increase lead generation and gain access to influential senior stakeholders in target organisations. The Group also plans to leverage its partner network to make its solutions easier for organisations to buy, for example by enabling its software to be purchased via Microsoft's Azure Marketplace and other similar frameworks.

8.5 **Selective acquisitions**

Historically, the Group has undertaken acquisitions to support its organic growth strategy. Most recently, the acquisition of OpenConnect in the USA added the *WorkiQ* application to the *Workware+* platform, accelerated the Group's product roadmap through its expertise in automated data capture and also significantly enhanced the Group's penetration of the US healthcare insurance vertical. The Group is principally focused on organic growth but will consider further such bolt-on acquisitions that add clear technological capability or market penetration.

9 **Commercial model**

The Group has two segments which contribute to revenues: a SaaS revenue segment which gives the Group a high visibility of revenues and a T&I revenue segment. *ControlIQ's* average sales cycle is around nine months, which is slightly lengthened for new customers, while *WorkiQ's* sales cycle is three months. After a period of significant investment in sales infrastructure, the Group enjoys a flexible and stable operating cost base, with a significant opportunity for operational gearing as revenues continue to build. The Group invoices annually in advance for SaaS revenues, and is consequently highly cash generative and contracts tend to be one year in duration.

9.1 **SaaS revenues**

Software licenses constitute the majority of the Group's revenue (79 per cent. in FY20), which gives the Group high revenue visibility. Customers are charged annually on a per user basis which varies by geography and can include volume based discounts. *ControlIQ* pricing is positioned at two to three times that of *WorkiQ* due to increased value derived from the platform. Software licenses are typically invoiced annually in advance with revenue recognised rateably over the period. The Group adopts a "land and expand" approach with new customers, with an initial deployment, often addressing a specific performance challenge in a single operational area. The success of initial deployments typically drives expansion within the customer, increasing the scale of deployment across the customer's operations footprint. The Group has a diverse customer base, focused on the banking, financial services and health insurance sectors. The Group's top 10 customers account for just under half of the SaaS revenues, there is a low level of customer churn and no one single customer accounted for more than 9 per cent. of SaaS revenues over the past three financial years or during H1'21.

9.2 **Training & implementation revenues**

The remainder of the Group's revenues (21 per cent of FY20) are represented by T&I, which are mostly driven by new customers but also refresher training, certifications and other specific training interventions.

ControlIQ deployment is via a 10 to 12 week programme. The software is typically configured and in-use within the first week, which is followed by training to embed the *AOM* methodology across the customer's teams. *WorkiQ* has a shorter three week programme.

Customers are charged on a per user basis which varies by location, delivery method and customer. The Group offers a flexible delivery model to customers of its T&I programmes. Programmes can be delivered by ActiveOps' own specialist T&I team, undertaken in conjunction with the customer's own in-house teams who are trained and accredited by ActiveOps, or via a number of accredited third-party partners. T&I revenues are typically invoiced in three instalments and recognised over the implementation period. The Group offers a risk and reward option on the charges for T&I, offering refunds against T&I charges if the expected productivity gains agreed with the customer are not met. The Group has a strong track record in respect to collecting the full T&I revenue where such risk and reward option has been offered to customers.

10 Current trading and prospects

On 19 September 2020, ActiveOps whilst retaining the *WorkiQ* product, its customer base and the majority of the OpenConnect employees, sold the OpenConnect legal entity together with a number of product lines, their customer base, and associated revenues and IP to Rocket Software.

Consideration for the sale of OpenConnect was \$19 million initial consideration in cash (subject to a working capital adjustment). The products divested were not complementary to the ActiveOps proposition. The sale incorporated a transitional services agreement for a period of 12 months to enable an orderly transition of support to Rocket Software.

The sale has significantly strengthened the balance sheet of the Group with cash inflow of \$11.5 million with \$1.9 million in escrow and \$6.4 million used to pay off the acquisition debt and close the Group's revolving credit facility with Wells Fargo.

In November 2020, the Group repaid loans to certain directors to the value of £1 million. The sale of OpenConnect has enabled the Group to focus on its core products and simplify areas of the business to further drive growth.

The Group delivered a record sales performance in Q3'21 (the second half of the financial year typically being the strongest period in the Group's customer contract renewal cycle) for both SaaS and T&I revenues, with strong expansion sales to a number of existing customers, and three new logo wins.

All regions delivered strong sales, whilst the mix of software revenues sold was made up as to 75 per cent for *ControlIQ* and 25 per cent for *WorkiQ*. SaaS revenues for Q3'21 were above prior quarters on a proforma basis and T&I revenues picked up sharply from the previous two quarters as the pace of implementations from prior quarter sales increased as customers settled into remote operations.

Product and technology development operating costs increased marginally on prior quarters £0.3 million as a result of increased investment designed to further boost the speed of product development.

11 Summary financial information

The financial information below, with the exception of the key performance indicators (KPIs), has been extracted from the audited historical financial information for the Group for the years ended 31 March 2018 (FY18), 31 March 2019 (FY19) and 31 March 2020 (FY20) as set out in Section B of Part III of this document and the unaudited interim financial information for the six months ended 30 September 2019 (H1'20) and 30 September 2020 (H1'21) as set out in Section D of Part III of this document. Prospective investors should read the full historical financial information and unaudited interim financial information in Sections B and D respectively of Part III of this document and not rely solely upon the summary below.

Key performance indicators (KPIs)

	<i>FY18</i> <i>(£'000)</i>	<i>FY19</i> <i>(£'000)</i>	<i>FY20</i> <i>(£'000)</i>	<i>H1'20</i> <i>(£'000)</i>	<i>H1'21</i> <i>(£'000)</i>
KPIs (unaudited)					
ARR	12,873	14,777	17,131	16,837	17,079
NRR	110%	105%	111%	112%	98%

Income statement

	<i>FY18</i> <i>(£'000)</i>	<i>FY19</i> <i>(£'000)</i>	<i>FY20</i> <i>(£'000)</i>	<i>H1'20</i> <i>(£'000)</i>	<i>H1'21</i> <i>(£'000)</i>
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Group SaaS revenue	11,205	13,425	16,178	7,533	8,588
Group T&I	4,751	4,552	4,224	2,249	828
Total revenue	15,956	17,977	20,402	9,782	9,416
Gross profit	12,466	13,668	15,142	7,409	7,632
Operating profit / (loss)	183	(1,167)	(2,439)	(1,137)	(334)
Net finance	(161)	(151)	(441)	(106)	(223)
Profit / (loss) before tax	22	(1,317)	(2,880)	(1,244)	(557)
Taxation	(161)	201	296	104	(32)
Loss for the year from continuing operations	(139)	(1,116)	(2,585)	(1,139)	(589)
Profit from discontinued operations	-	-	2,300	530	1,552
(Loss) / profit for the year	(139)	(1,116)	(285)	(609)	962

Balance sheet

	As at 31 March 2018 (£'000) Audited	As at 31 March 2019 (£'000) Audited	As at 31 March 2020 (£'000) Audited	As at 30 September 2020 (£'000) Unaudited
Total non-current assets	5,972	5,749	8,842	8,190
Current assets				
Trade and other receivables	4,960	4,170	5,401	2,730
Cash and cash equivalents	2,583	1,969	2,622	1,208
Corporation Tax Recoverable	174	199	156	153
Assets classified as held for sale	-	-	7,638	6,325
Total current assets	7,717	6,339	15,817	10,415
Total assets	13,689	12,088	24,658	18,606
Current liabilities				
Trade and other payables	(7,815)	(8,684)	(11,802)	(8,242)
Other current liabilities	(1,256)	(224)	(3,388)	(1,784)
Total current liabilities	(9,071)	(8,909)	(15,190)	(10,026)
Non-current liabilities				
Deferred tax liability	(1,141)	(1,059)	(1,484)	(1,369)
Other non-current liabilities	(2,157)	(1,850)	(8,104)	(6,544)
Total non-current liabilities	(3,298)	(2,909)	(9,588)	(7,913)
Total liabilities	(12,369)	(11,818)	(24,777)	(17,939)
Net assets / liabilities	1,320	270	(119)	667

Cash flow statement

	FY18 (£'000) Audited	FY19 (£'000) Audited	FY20 (£'000) Audited	H1'20 (£'000) Unaudited	H1'21 (£'000) Unaudited
Cash flows from operating activities					
Cash (used in) / from operations	2,479	1,389	1,686	(2,048)	(186)
Interest paid	(183)	(174)	(469)	(119)	(233)
Tax paid	(278)	(218)	(440)	(48)	(211)
Net cash generated from operating activities	2,018	997	777	(2,215)	(630)
Cash flows from investing activities					
Net cash outflow from investing activities	(3,018)	(293)	(4,592)	(4,606)	(12)
Cash flows from financing activities					
Net cash inflow/(outflow) from financing activities	161	(1,394)	6,035	7,484	(1,712)
Net change in cash and cash equivalents	(839)	(689)	2,219	664	(2,354)
Cash and cash equivalents at the beginning of the period	3,592	2,583	1,969	1,969	4,093
Foreign exchange	(170)	76	(95)	20	27
Cash and cash equivalents at the end of the period	2,583	1,969	4,093	2,653	1,766

12 Board of Directors and senior management

12.1 Directors

Sean Francis Paul Finnan (59, *Independent Non-executive Chairman*)

Sean has over 30 years' experience driving change within international organisations. He joined the Board as a non-executive director in 2014 before becoming the independent non-executive chairman in 2019. Sean previously held a range of major senior services roles at IBM, HP and EDS and was also president of techUK (formerly Intellect).

Richard John Jeffery (56, *Chief Executive Officer*)

Richard has over 25 years' experience in enterprise software and specialist management consultancy. He co-founded the Group in 2005 alongside Neil Bentley having spent the previous ten years productising and implementing the AOM methodology.

Patrick ("Paddy") Alexander Deller (52, *Chief Financial Officer*)

Paddy has over 15 years' experience in senior finance roles across the technology sector. He joined the Group in September 2015 and had previously worked at Cable & Wireless where he was Chief Financial Officer of various international divisions over a period of 12 years. His other previous experience includes his role as Chief Financial Officer at Decision Technologies Ltd.

Michael ("Mike") Gerald McLaren (60), *Independent Non-executive Director*)

Mike is currently the full time Chief Financial Officer for FDM Group (Holdings) plc, a FTSE 250 listed IT services business. Mike joined FDM in 2011 when it was under private equity ownership prior to listing in late 2014. He joined the Board in March 2021 and was previously Chief Operating Officer and Group Finance Director of Timeweave plc (formerly Alphameric plc), a premium listed business in the software and services sector. Mike has been an independent non-executive chairman and non-executive director on the boards of a number of other companies.

Mike is a member of the Institute of Chartered Accountants in England and Wales.

Hilary Wright (61, *Independent Non-executive Director*)

Hilary is currently a non-executive director of Midwich Group plc, a specialist audio visual distributor to the trade market. She joined the Board in March 2021 and was previously the Group Human Resources Director of Domino Printing Sciences plc who she joined in 2016. Her background was formed in retailing and more latterly with Cambridge based engineering and technology companies which is where she has gained her global experience as well as involvement in a number of acquisitions. She has held both strategic and operation roles and devised and led the HR direction for significant global growth; ensuring people development, succession planning and talent acquisition are aligned for transformational change.

Hilary is a fellow of the Chartered Institute of Personnel and Development.

12.2 Senior management

Kuljit Bawa (54, *Regional Managing Director - EMEIA*)

Kuljit joined ActiveOps in 2015 and is responsible for the Groups operations in Europe, the Middle East, Africa and India. Kuljit has over 25 years' experience assisting major financial services firms to deliver tangible benefits and change through the use of enterprise software. He has worked with front office, operations and service delivery teams in insurance companies, retail banks, investment banks, fund managers, hedge funds and outsourcing utilities.

Kevin Evans (43, *Chief Technology Officer*)

Kevin joined ActiveOps in 2017 and is responsible for ActiveOps' software development, customer and application support teams. Kevin joined ActiveOps from Sun Branding Systems where he held the position of Chief Information Officer and previously held senior roles at Access Intelligence Plc, Vital Technology Group and Wingas UK.

Peter Alex Ginger (45, Head of Strategy and Corporate Development)

Alex joined ActiveOps in 2006 and has held a number of senior management roles within the organisation. Alex is currently responsible for business strategy, corporate development and alliances/partnerships. Alex has a background in operations performance improvement from prior consulting roles with Impact Plus and Electronic Data Systems (EDS).

Julian Harper (57, Chief Revenue Officer)

Julian joined ActiveOps in April 2014 and is currently responsible for all of revenue generating activities across the Group including new business generation, expansion sales and marketing. Prior to joining ActiveOps Julian was the CEO of RedOwl which was acquired by ActiveOps in 2014 and previously held senior sales and management positions in software solutions businesses.

Spencer O'Leary (48, Regional Managing Director - North America)

Spencer is responsible for the Groups operations in North America. He joined ActiveOps in 2012 as UK Sales Director and held several senior sales roles prior to relocating to Dallas in 2020. Spencer is responsible for all aspects of ActiveOps operations in North America. Spencer has an operations management background in the UK banking sector and 15 years of software solutions sales management experience.

Stuart Pugh (53, Chief Customer Officer)

Stuart joined ActiveOps in 2016 and leads its Customer Success and Product Functions. Stuart brings over 28 years of experience of leading service operations in HSBC and ADCB where he was a customer of ActiveOps

13 Employees

The Group is headquartered in Reading (UK) and has its main offices in Reading, Limerick (Ireland), Dallas (US), Johannesburg (South Africa), Bangalore (India) and Adelaide (Australia).

Details of the Group's employees for each of the three financial years ended 31 March 2020 are as follows:

Financial year ended	Number of employees at year end
31 March 2018	127
31 March 2019	151
31 March 2020	148

As at 31 December 2020, the Group employed a total of 163 people in the following locations; UK 73, US 35, Australia 22, India 13, South Africa 9, Ireland 9 and Canada 2.

The Group's employees by function as at 31 December 2020 are set out in the table below:

Function	Headcount
Customer Success	21
Development, Customer Support and Product Management	64
Finance, Legal and HR	17
Group and Regional Management	9
Sales and Marketing	25
Training & Implementation	27
Total	163

14 Intellectual property

The Group's employees have developed, and the Group therefore owns, the intellectual property rights in the following products:

- *ControlIQ* (and its predecessor versions branded *Workware*);
- *WorkiQ*;
- The *AOM* methodology, all supporting assets and implementation collateral; and

- The ActiveOps Academy online learning solution.

ControlIQ and *WorkiQ* both contain third-party and open source software and the Directors believe such third-party software can be replaced, but with varying degrees of difficulty. The Group does not permit use of open source software released under licences which allow the patenting of parts or all of the code or library, or any licences which would require release of the Group's proprietary source code.

As at the date of this document, the Group owns two UK registered trademarks, five European Community trademarks and one US registered trade mark in relation to the business, its products and its services. Additional registrations are being sought in the UK, EU and US.

The Group also owns several domain names including *activeops.com*, *workwareplus.com* and *workiq.com*.

As at the date of this document, the Group is not party to any intellectual property disputes.

15 **Reasons for Admission**

The Directors believe that Admission will be an important step in the Group's development as it will allow the Group to accelerate its growth plans and will enhance its profile and reputation within its market. The Group primarily serves large enterprise customers and the Directors believe Admission will enhance its credibility when dealing with existing and potential customers.

The Directors believe that Admission will also provide opportunities for the Group to attract, retain and incentivise employees through the Group's option schemes.

The Existing Shareholders will have the opportunity to realise some or all of their long-term investment in the Group through their participation in the Placing. It is expected that the Placing will result in a more diverse shareholder base for the Group with the capability to support its growth. The placing of the Sale Shares will raise approximately £75.7 million (before expenses) for the Selling Shareholders.

16 **Share Plans**

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the Group's management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group.

Accordingly, the Company has approved the terms of the Share Plans, with the CSOP 2021 and PSP 2021 being adopted on Admission. Further details of the Share Plans and the options granted thereunder are set out in paragraph 7 of Part IV of this document.

On Admission, market value options will be granted with a market value as at the date of Admission of up to £2,525,584 under the PSP 2021 and equal to £658,500 under the CSOP 2021.

17 **Details of the Placing**

Investec has entered into the Placing Agreement with the Company, the Directors, the Major Selling Shareholders and the Selling Agent. Under the Placing Agreement, Investec has conditionally agreed, as agent of the Major Selling Shareholders and the Selling Agent, to use its reasonable endeavours to procure purchasers for the Sale Shares at the Placing Price. The Sale Shares are being placed with institutional and other investors.

The Sale Shares represent approximately 63.2 per cent of the Issued Share Capital. On Admission, the Company will have a market capitalisation of approximately £119.8 million.

The Placing is conditional, amongst other things, on Admission taking place on or before 8.00 a.m. on 29 March 2021 (or such later date as the Company and Investec may agree, but in any event not later than 16 April 2021) and on the Placing Agreement becoming unconditional and not being terminated prior to Admission.

Further details of the Placing Agreement are set out in paragraph 8 of Part IV of this document.

18 **Lock-in and orderly market arrangements**

Sean Finnan, Richard Jeffery and Patrick Deller who each hold Ordinary Shares, who will together be beneficially interested in a total of 10,252,554 Ordinary Shares on Admission (representing approximately 14.4 per cent. of the Issued Share Capital), have undertaken to Investec that, except in limited circumstances, they will not dispose of any Ordinary Shares during the period of 12 months from Admission and that, during the period of 12 months from that date, they will not (other than in agreed circumstances) dispose of any Ordinary Shares unless such disposal is made on an orderly market basis through the

Company's broker from time to time.

Each member of the senior management team listed in paragraph 12 of this Part I, who will together be beneficially interested in a total of 3,765,200 Ordinary Shares on Admission (representing approximately 5.3 per cent. of the Issued Share Capital), has undertaken to Investec that during the period of 12 months from Admission they will not (other than in agreed circumstances) dispose of any Ordinary Shares unless such disposal is made on an orderly market basis through the Company's broker from time to time.

Certain other Shareholders, who will together be beneficially interested in a total of 9,634,732 Ordinary Shares on Admission (representing approximately 13.5 per cent. of the Issued Share Capital), have undertaken to Investec that, except in limited circumstances, they will not dispose of any Ordinary Shares during the period of six months from Admission and that, during the period of six months from that date, they will not (other than in agreed circumstances) dispose of any Ordinary Shares unless such disposal is made on an orderly market basis through the Company's broker from time to time.

Accordingly, on Admission, a total of 23,652,486 Ordinary Shares will be subject to the lock-in and orderly market arrangements described above representing approximately 33.2 per cent. of the Issued Share Capital.

Further details of the lock-in and orderly market undertakings are set out in paragraph 8 of Part IV of this document.

19 **Corporate governance**

The Directors acknowledge the importance of high standards of corporate governance and, given the Company's size and the constitution of the Board, have formally adopted and intend to fully comply with the QCA Code. The QCA Code sets out a standard of minimum best practice for small and mid-size quoted companies, particularly AIM companies.

Board

The Board will be responsible for the overall management of the Group including the formulation and approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of the Group's strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will meet regularly to review performance.

The Board currently comprises five Directors, of whom two are executive and three are non-executive. The Board considers the three non-executives, being Sean Finnan, Michael McLaren and Hilary Wright, to be independent for the purposes of the QCA Code. The Board has not designated one of the non-executive Directors as the senior independent director, as that role is not deemed appropriate at this stage of the Company's development, however, the Board will keep this under review.

The Board has established an audit committee, remuneration committee and nomination committee with formally delegated duties and responsibilities, as described below.

Audit committee

The audit committee will be responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The audit committee will initially comprise Michael McLaren, Hilary Wright and Sean Finnan, and will be chaired by Michael McLaren. The audit committee will meet up at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee will also meet regularly with the Company's external auditors.

Remuneration committee

The remuneration committee will be responsible for determining and agreeing with the Board the framework for the remuneration of the executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share

awards. The remuneration of non-executive Directors will be a matter for the chairman and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration.

The remuneration committee will initially comprise Michael McLaren, Hilary Wright and Sean Finnan, and will be chaired by Hilary Wright. The remuneration committee will meet at least twice a year and otherwise as required.

Nomination committee

The nomination committee will be responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required by a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise.

The nomination committee will initially comprise Michael McLaren, Hilary Wright and Sean Finnan, and will be chaired by Sean Finnan. The nomination committee will meet at least twice a year and otherwise as required.

20 Share dealing code

The Company has adopted, with effect from Admission, a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules for Companies relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules for Companies). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company will take all reasonable steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM Rules for Companies (including Rule 21).

21 Dividend policy

The Group is primarily seeking to achieve capital growth for Shareholders. It is the Board's intention during the current phase of the Group's development to retain distributable profits from the business to the extent any are generated. The Directors do not anticipate declaring any dividends in the foreseeable future but may recommend distributions at some future date depending upon the generation of sustainable profits when it becomes commercially prudent to do so.

22 Admission to trading, settlement and dealing arrangements

Application has been made to the London Stock Exchange for the Existing Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 29 March 2021.

The Ordinary Shares will be in registered form and will be eligible for settlement through CREST.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles contain provisions concerning the holding and transfer of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

In the case of Placees who have requested to receive Sale Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 29 March 2021. In the case of Placees who have requested to receive Sale Shares in certificated form, it is expected that share certificates will be despatched by post within a week of Admission.

No temporary documents of title will be issued. All documents sent by or to a Placee who elects to hold Ordinary Shares in certificated form, or at his or her direction, will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, transfers will be certified against the register of members of the Company.

23 Takeover Code

The Takeover Code is issued and administered by the Takeover Panel. The Company is a public company

incorporated in the UK and has its place of central management and control in the UK. Accordingly, the Takeover Code applies to the Company and, as a result, Shareholders are entitled to the benefit of the takeover offer protections provided under the Takeover Code.

Further information concerning the Takeover Code is set in paragraph 10 of Part IV of this document.

24 Taxation information for prospective investors

The attention of prospective investors is drawn to the information regarding taxation set out in paragraph 9 of Part IV of this document. This information is intended only as a general guide to the current tax position under UK taxation law for certain types of investor. Prospective investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.

25 Further information

The attention of prospective investors is drawn to the financial and other information set out in Part I to IV inclusive of this document, which provide additional information on the Company. In particular, prospective investors are advised to consider carefully the risk factors relating to any investment in Ordinary Shares set out in Part II of this document.

PART II - RISK FACTORS

An investment in Ordinary Shares may be subject to a number of risks. Accordingly, prospective investors should consider carefully all of the information set out in this document and the risks attaching to such an investment, including in particular the risks described below, before making any investment decision in relation to Ordinary Shares.

The information below does not purport to be an exhaustive list of relevant risks, since the Group's performance might be affected by other factors including, in particular, changes in market and/or economic conditions or in legal, regulatory or tax requirements. Prospective investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of information in this document and their individual circumstances. An investment in Ordinary Shares should only be made by those with the necessary expertise to evaluate fully that investment.

This document contains forward-looking statements, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumption and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, among other things, the risk factors described in this Part II. The Directors believe that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement. Factors that might cause a difference include, but are not limited to, those discussed in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in the document to reflect future events or developments.

Prospective investors are advised to consult an independent adviser authorised under FSMA. If any of the following risks relating to the Group were to materialise, the Group's business, financial condition and results of future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his, her or its investment.

Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Group. In addition to the usual risks associated with an investment in a company, the Directors consider the following risk factors to be significant to prospective investors:

RISKS RELATING TO THE GROUP'S BUSINESS

Failing to successfully implement its growth strategies

As set out in Part I of this document, the Company intends to carry out certain growth and expansion strategies. The Group's growth and future success will be dependent to some extent on the successful completion of such growth and expansion strategies currently or proposed to be undertaken by the Group and the sufficiency of demand for the Group's products. The execution of the Group's growth and expansion strategies may also place strain on its managerial, operational and financial reserves and the failure to implement such a strategy may adversely affect the Group's reputation, business, prospects, results of operation and financial condition. The Group's growth strategy is partly reliant on expanding its user base with a customer as a result of successful early deployments and strong customer relationships. Any failure of the Group's solutions to deliver value in this crucial expansion phase would significantly impede growth.

The Group faces competition in a rapidly evolving market

Although the Directors believe that significant barriers to entry exist in the markets in which the Group operates, including for example the deep domain knowledge necessary in order to be able to design and specify its technology, the Group may face an increasing amount of competition. Competitors may seek to develop products which more successfully compete with the Group's current products and services and they may also adopt more aggressive pricing models or undertake more extensive marketing and advertising campaigns. This may have a negative impact on sales volumes or profit margins achieved by the Group in the future. The Group would also face an increase in competition if providers of adjacent technologies used extensively in the back-office attempted to enter the Group's market.

Failure of the market to accept the Group's products

A large proportion of the Group's target market still uses informal systems, developed by front line managers and support staff in order to manage their operations. The Directors believe that the market needs further education on the virtues of the benefits of the Group's products. Potential customers may continue to favour more traditional methodologies and in-house solutions, and/or be cautious about investing in the Group's products due to a lack of education as to how they operate. Failure by the Group to bring about a change in the market's readiness to accept the Group's technology will lead to slower than projected growth in the Group's revenues and profits.

Significance of key account relationships

The Group's business has certain key customers who may seek lower prices or may reduce their demand for a product or services of the Group. The relationship of the Group with its key customers could be materially adversely affected by a number of factors, including a decision by a key customer to diversify or change how, or from whom, they source a product or services currently provided by the Group, an inability to agree on mutually acceptable pricing terms with any one of its key customers or a significant dispute with or between the Group and one of its key customers. If the Group's commercial relationship with any of its key customers terminates for any reason, or if one of its key customers significantly reduces its business with the Group and the Group is unable to enter into similar relationships with other customers on a timely basis, or at all, the Group's business, its results of operations and/or its financial condition could be materially adversely affected.

Reputation is important in winning contracts with both new and existing customers

The Group's reputation, in terms of the products and the services it provides and the way in which it conducts its business, is central to the Group winning contracts with both new and existing customers. Failure to meet the expectations of these customers and other business partners may have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition. The Group's future revenue growth and the contracts it wins depend on its ability to provide customers with high quality products and a high quality of service. If the Group is unable to provide customers with high quality products and services, it could face customer dissatisfaction, leading to decreased demand for its products and services, a loss of revenue and damage to the Group's reputation.

Undetected defects in the products provided by the Group

The Group's business involves providing customers with a reliable product. If a product contains undetected defects when first introduced or when upgraded or enhanced, the Group may fail to meet its customers' performance requirements or otherwise satisfy contract specifications. As a result, it may lose customers and/or become liable to its customers for damages and this may, amongst other things, damage the Group's reputation and financial condition. The Group endeavours to negotiate limitations on its liability in its customer contracts where possible, however, defects in a product could result in the loss of a customer, a reduction in business from any particular customer, negative publicity, reduced prospects and/or a distraction to its management team. A successful claim by a customer to recover such losses could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

The Group's products may not perform as expected and the Group could be at risk of defects which adversely affect its customers

There is no guarantee that the Group's products will perform as intended. Costs spent on developing the products may therefore not be recouped and this may result in reduced profitability for the Group. As the Group's products are complex, they may contain defects or vulnerabilities which may not be detected until after its deployment to end customers. These could result in the Group's customers being vulnerable to, among other things, security attacks or adverse performance. The Group moreover may not always be able to identify the cause of performance problems in its products. The Group's business would be harmed if any of the events described above caused its customers or potential customers to believe the Group's products are not reliable or secure.

Security breaches of the Group's, supplier's or customer's systems

Although the Group employs security and testing measures for the products it deploys, these may not protect against all possible security breaches that could harm the Group's or its customers' businesses. Any compromise of the Group's security could harm its reputation or financial condition and, therefore, its

business. In addition, a party who is able to circumvent the Group's security measures could, among other things, misappropriate proprietary information, interrupt the Group's operations or expose customers to viruses or other disruptions in their systems. Actual or perceived vulnerabilities may lead to claims against the Group. Whilst the Group will, where possible, seek to ensure that its customer agreements contain provisions that limit the Group's liability, the Group may need to enforce these provisions to enjoy the benefit of them, with the associated risk and expense.

Data protection laws

The Group processes personal data on behalf of its customers. Additionally, in the provision of its services to customers and in its own capacity as controller, the Company engages certain third party sub-processors. Notwithstanding appropriate protections being in place, should there be a data breach or a failure to comply with relevant data protection laws, including without limitation the GDPR, or if there was a breach of personal data by either the Group or any of its service providers, there is a risk that the Group could, amongst other things, face significant fines from the Information Commissioner's Office in the UK and/or claims brought against it by affected third parties. Additionally, there is a risk that such enforcement action or claim could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Such failure to comply with the GDPR includes where the Group does not have in place sufficient GDPR-compliant data processing provisions with its customers on whose behalf it processes personal data or with its suppliers that process personal data on its behalf. The Group is seeking to ensure that there are GDPR-compliant terms agreed with its suppliers and customers.

Risk from cyber-attacks

The Group relies on information technology systems to conduct its operations. Because of this, the Group and its products are at risk from cyber-attacks. Cyber-attacks can result from deliberate attacks or unintentional events and may include (but are not limited to) third parties gaining unauthorised access to the Group's products for the purpose of misappropriating financial assets, intellectual property or confidential sensitive information, corrupting data, or causing operational disruption. If the Group suffers from a cyber-attack, whether by a third party or insider, resulting in a breach of confidentiality or a data security breach it may incur significant costs and suffer other negative consequences, such as remediation costs (including liability for stolen assets or information), repairing any damage caused to the Group's network infrastructure and systems and/or fines from the Information Commissioner's Office or third party claims. The Group may also suffer reputational damage and loss of investor confidence. If the Group suffers a cyber-attack, this could expose the Group to potential financial and reputational harm.

The Group may be adversely affected by technological changes

The Group expects that new technology will continue to emerge and develop, therefore it is possible that this technology may be superior to, or render obsolete or unmarketable, the products that the Group currently offers. Any failure of the Group to ensure that its products remain up to date with the latest technology may have a material impact on the Group's competitiveness and financial performance. The Group plans to continue to develop innovative solutions for its customers but there can be no assurance that the Group will be able to successfully develop new products and expand its business as planned or that these new products will be successful or profitable or will satisfy the specific technological needs of all customers. In order to limit the impact of technological changes and remain competitive, the Group must continually update its products. The process of updating its software could result in increased costs and the Group's investment may therefore affect the Group's profitability. The Company's success will depend, in part, on its ability to develop and adapt to these technological changes and industry trends.

The Group's performance is dependent on maintaining competitive customer service levels

Failure to provide and maintain competitive customer service levels and operational and back-office processes could result in customers seeking recourse against the Group for failure to meet service levels or moving to other providers, and this could have an adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Inability to contract with customers on the most favourable terms to the Group

The Group contracts with a wide variety of companies and partners, many of which are in strong negotiating positions and have greater financial resources than the Group. Whilst the Group has sought to create a sustainable pricing model for its products and contract terms, the Group may have limited scope

for negotiation of the price or contract terms with its customers.

The Group has a number of supplier and customer contractual relationships which include indemnities, provided in some cases on an uncapped basis or subject to a "supercap" (a higher cap than may be provided for general liability under the contract), in a large number of cases in relation to breaches of data protection laws which could lead to significant fines being imposed. In a small number of cases, where the Group's products and services may be offered to a customer's group, the indemnity protection is provided to the customer and to its affiliated entities, shareholders and personnel. Given the uncapped and supercapped nature, and potential breadth of liability such warranties and indemnities create a risk that any liability on the Group's part could be material. A successful claim under such warranties and indemnities which is not covered by the Group's insurance policies may have a significant impact on the Group's business, prospects, results of operation and financial condition.

Contracts not renewing

Certain existing customers of the Group are engaged on contracts which may not be renewed by that customer at relatively short notice or may not be renewed by that customer. Any such termination or failure to renew could affect the Group's profitability and financial position.

The Group's underlying software platform providers may implement new features or changes that may hurt the Group's business

The Group is heavily dependent on Microsoft's software solutions. As Microsoft continuously makes changes to its platforms and impose restrictions, procedures and/or policies on use of its platforms, such restrictions, both intended and unintended (for example software updates), may affect the Group's software, including materially disrupting the ability of the Group's technology to optimally perform, whether by disrupting its ability to collect required data or by disrupting its ability to interact or integrate with its customers' existing IT systems. Such disruptions and/or changes may have an adverse effect on the Group's financial performance and growth prospects. As a provider of foundation software solutions to the Group's customers and prospects, any attempt by Microsoft to development functionality similar to the Group's product could adversely affect the Group's business and prospects.

Dependence on key officers, managers and technical personnel

Attracting and retaining experienced sale and technical personnel, including individuals with significant sales expertise, is a critical component of the future success of the Group's business as is the continued training and monitoring of such individuals. Competition for such experienced people is high. The Group may encounter difficulties in attracting or retaining such individuals, particularly if new competitors enter the market. Continued growth may therefore cause a significant strain on existing managerial, sales, operational, financial and technical resources.

The Group is highly dependent upon key senior management personnel who have extensive experience and knowledge of the Group, its products, its customers, its target markets and its business generally. The successful implementation of the Group's strategy depends on the continuing availability of senior management and the Group's ability to continue to attract, motivate and retain other highly qualified employees. If members of the Group's senior management depart and adequate succession plans are not put in place, the Group may not be able to find effective replacements in a timely manner, or at all and the Group's business may be disrupted or damaged. In addition, the loss of key members of senior management to competitors could have a material adverse effect on the Group's competitive position.

Growth management

The Directors believe that further expansion, either organically or through acquisition, may be required to capitalise on the market opportunities available to the Group. Such expansion is expected to place further demands on management, support functions, sales and marketing functions and other resources of the Group. In order to manage the further expansion of the Group's business and the growth of its operations and personnel, the Group may be required to expand and enhance its infrastructure and technology and enhance its operational and financial systems as well as its procedures and controls from time to time in order to match that expansion. This could have a material cost to the Group. The Group's future success will depend, in part, on its ability to continue to manage this anticipated expansion.

There can be no assurance that the Group's current and planned staff, infrastructure, systems, procedures and controls will be adequate to support any expansion of operations in the future. If the Group fails to manage its expansion effectively, its business, prospects and results of operations may be materially and adversely affected.

M&A risk

In order to expand, the Group may seek potential acquisition targets. Prior to proposing or making an acquisition, the Company would undertake due diligence on the target. However, such due diligence may not reveal all facts and circumstances in connection with the target. Any such failure to identify all material facts or circumstances in connection with an acquisition may have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

In addition, there is a risk that management time and attention is diverted from core operations while carrying out an acquisition and during the integration of the target into the Group, and there may be costs involved in such integration process. There can be no assurance that acquisitions will be made, and in respect of any acquisitions that are carried out by the Group, there can be no assurance that it will be successful or enable the Group to realise the potential benefits from the acquisition. Any acquisitions that are unsuccessful or do not proceed according to plan may result in a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Intellectual property

The Group has sought to protect its intellectual property by the registration of trademarks (as at the date of this document, the Group owns two UK registered trademarks, five European Community trademarks and one US registered trade mark in relation the business, its products and its services; additional registrations are being sought in the UK, EU and US), entering into non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of its business, implementing and maintaining internal and external controls and processes restricting access to the intellectual property.

Any intellectual property, whether or not registered owned and/or used by the Group in the course of its business or in respect of which the Group believes it has rights, may be prejudiced and/or open to challenge by third parties (including where such third parties have or claim to have pre-existing rights in such intellectual property). In any such case, the Group may be prevented from using such intellectual property or it may require the Group to become involved in litigation to protect its intellectual property rights, each of which may have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition. Conversely, while the Directors believe the Group has taken precautions, they cannot guarantee that any action or inaction by the Group will not inadvertently infringe the intellectual property rights of others. Any infringement by the Group of the intellectual property rights of others could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Despite precautions which may be taken by the Group to protect its intellectual property, unauthorised parties may attempt to copy, or obtain and use, its intellectual property and the technology incorporated in them. This could cause the Group to have to incur significant unbudgeted costs in defending its intellectual property and technology.

Open source software

The Group's software products, *ControlIQ* and *WorkiQ* each contain third party and open source software. Open source software is typically licensed for use at no initial charge on terms which allow modification and distribution of the software by the licensee. The Group has a strict policy that no modifications or alterations may be made to open source software products and uses binary forms of the open source software components and products rather than source code, in order to remain compliant with copyleft conditions in open source software licences.

However, open source software is available to the public for anyone to access and utilise, including the Group's competitors. Accordingly, the Group's ability to realise fully the commercial benefits of any such software may be restricted because, due to the requirements to licence modified software, the Group's competitors or licensees may have access to information which may help them develop competitive products. Any of the risks or restrictions relating to open source software mentioned above could have an adverse impact on the Group's financial condition and future prospects.

Reputational issues

The Directors are aware of the potential uses of the *WorkiQ* EPM application and desktop monitoring/mining technology. Whilst the *WorkiQ* solution has been developed to focus on monitoring use of time and achievement of key outcomes in order to motivate and engage staff, rather than covertly recording keystrokes or screen activity, there is a risk that once the software has been deployed and customers are trained on how to use the product, that despite being aware of its intended purpose, they use it as part of

a covert monitoring strategy designed to identify poor behaviour in employees. Associated with this is a risk that employees take issue with such covert use of the software, potentially leading to negative press for the relevant customer and, by association, the Group. Regardless of the fact the Group's products are not designed or promoted to be used in that way, the ActiveOps brand may be adversely affected by negative publicity. This may include non-mainstream media and unregulated social media, blogs or message boards. Further, costs may be incurred by the Group in defending any such claims. An incident that affects the ActiveOps brand negatively could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Economic conditions

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's products (although as the Group's products and services are intended to save money for customers once implemented, the Group may be less exposed in this regard than organisations operating in other sectors). A more prolonged economic downturn and in particular a downturn in the financial services industry may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise profit (although the Group's performance during previous financial services crises was strong, driven by customers' need to reduce costs). The markets in which the Group offers its services are directly affected by many national and international factors that are beyond the Group's control.

Covid-19

The recent outbreak of Covid-19 (commonly referred to as coronavirus) has negatively impacted economic conditions globally and is having an adverse and disruptive effect on the UK economy. Whilst the Group's operations and performance have been largely unaffected to date, the Directors recognise that the performance of the Group may yet be affected by the ongoing pandemic and government measures and the ultimate impact is dependent on the duration and extent of the pandemic and associated government measures and is therefore not yet known.

In addition to the immediate health risks to the Group's employees, the possible impact of the pandemic is significant and could have wide ranging and unpredictable adverse direct and indirect effects on the Group, including but not limited to a delay in being able to execute the Group's strategy and an adverse impact on the business of the Group's customers and potential customers, which could impact their ability to make use of the Company's services, in turn potentially having a negative impact on the Group's overall customer numbers. Further, the Group may be adversely affected by the wider macroeconomic effect of the ongoing outbreak and any potential outbreaks in the future, as significant negative effects may be felt in the economies in which the Group operates.

Brexit risk

The effect of the United Kingdom leaving the European Union (commonly known as Brexit) has created uncertainty for the UK and the European Union. The direct and indirect impacts of the UK completing its withdrawal are not clear and cannot currently be quantified. The effects of Brexit could lead to legal uncertainty and potentially divergent national laws and regulations which may, directly or indirectly, particularly in relation to intellectual property and data protection, increase compliance and operating costs for the Group. The known potential impact of Brexit, and unknown impact that cannot be anticipated, could materially adversely affect the Group's business, prospects, results of operations and financial position.

On 24 December 2020, the UK and the EU agreed a deal, the Trade and Cooperation Agreement (the "TCA"), to govern significant aspects of the trade relationship between the UK and the EU with effect from 1 January 2021 onwards.

While the TCA avoids the consequences of a no-deal Brexit, the UK is no longer a member of the EU Single Market and Customs Union and the UK is therefore subject to revised restrictions on the free movement of services, goods, people and capital, which could affect economic and market conditions. Such a decline in trade could affect the attractiveness of the UK as a global investment centre and, as a result, could have a detrimental impact on economic growth in the country. Negative developments in, or the general weakness of, the British economy may negatively affect the financial condition of the Company.

In addition, the impact of Brexit on trade with countries outside the European Union is not known and therefore it is not certain whether there will be changes in trading arrangements, including tariffs, applicable to the Group and the impact this could have. Particularly in relation to the United States, as at the date of this document no trade deal has been struck between the United Kingdom and the United States, and it is not clear what form any deal, and any tariffs payable thereunder, would take.

Generally, it is also not known what the impact will be on the UK economy and its future growth, investor confidence, market performance and exchange rates.

Overseas operations

The Group currently has operations in various jurisdictions, including Australia, India, South Africa and the United States. Each of these jurisdictions has different regulatory, tax and legal environments that could change in the future and impact on how the group conducts its business in these countries. If the Group was to fail to comply with laws and regulations of overseas jurisdictions in which it operates, there is a risk that it could be subject to legal and reputational issues, such as government or regulatory enforcement, including the imposition of financial penalties. Such enforcement action could have a material adverse effect on the Group's reputation, profits and financial condition.

RISKS RELATING TO THE ORDINARY SHARES AND THE AIM MARKET

Taxation

The attention of prospective investors is drawn to paragraph 9 in Part IV of this document headed "Taxation". Any change in the Group's tax status or in taxation legislation could affect the Group's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Statements in this document concerning the taxation of holders of Ordinary Shares are based on current UK tax law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of prospective investors.

Volatility of Ordinary Share price

The Placing Price may not be indicative of the market price for the Ordinary Shares following Admission. As the Ordinary Shares have not previously traded, their market value is uncertain and may be subject to wide fluctuations in response to many factors, including those referred to in this Part II, as well as stock market fluctuations, changes in financial estimates by industry participants or securities analysts and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares (or the perception that such sales may occur, as, for example in the period leading up to the expiration of the various lock-in agreements to which certain Shareholders are subject), legislative changes and market, economic, political or regulatory conditions.

The combination of one or more of these factors could mean that investors are unable to recover their original investment in the Ordinary Shares.

Liquidity of Ordinary Shares

Admission to trading on AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

Ordinary Shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List

Ordinary Shares will be admitted to trading on AIM and will not be admitted to the Official List of the Financial Conduct Authority or to any other stock exchange. The rules of AIM are less rigorous than those of the Official List and an investment in Ordinary Shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in Ordinary Shares on AIM may have limited liquidity, making it more difficult for an investor to realise its investment than might be the case in respect of an investment in shares which are quoted on the London Stock Exchange's main market for listed securities. Prospective investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than the market prices of shares quoted on the London Stock Exchange's main market for listed securities and may not reflect the underlying value of the net assets of the Group. For these and other reasons, investors may not be able to sell at a price which permits them to recover their original investment.

Legislation and compliance

This document has been prepared on the basis of current legislation, rules and practice and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change.

Additional capital and dilution

The Directors (having made due and careful enquiry) are of the opinion that the working capital available to the Company and its Group is sufficient for its present requirements, that is for at least 12 months from the date of Admission.

If the Group fails to generate sufficient revenue, then it may need to raise additional capital in the future, whether from equity or debt sources, to fund expansion and development. If the Group is unable to obtain this financing on terms acceptable to it, then it may be forced to curtail its planned strategic development. If additional funds are raised through the issue of new equity or equity-linked securities of the Group other than on the basis of a pro rata offer to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Placing Price.

Dividends

There can be no assurance that the Company will declare dividends in the future or as to the level of any dividends. The approval of the declaration and amount of any dividends of the Company is subject to the discretion of the directors of the Company (and, in the case of any final dividend, the discretion of the Shareholders) at the relevant time and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of distributable profits, as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Substantial sales of Ordinary Shares may adversely affect a Shareholders' ability to sell their Ordinary Shares or realise the price paid for them

There can be no assurance that certain Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements contained within the Placing Agreement, details of which are set out in paragraph 8.2 of Part IV of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

Costs of compliance with AIM corporate governance and accounting requirements

In becoming a public company with shares admitted to trading on AIM, the Group will be subject to enhanced requirements in relation to disclosure controls and procedures and internal control over financial reporting. The Group may incur significant costs associated with its public company reporting requirements, including costs associated with applicable AIM corporate governance requirements. The Group expects to incur significant legal and financial compliance costs as a result of these rules and regulations and, if the Group does not comply with all applicable legal and regulatory requirements, this may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

There is no guarantee that the Group will maintain its quotation on AIM

The Group cannot assure investors that the Group will always retain a quotation on AIM. If it fails to retain such a quotation, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Shares. Additionally, if in the future the Group decides to obtain a quotation on another exchange in addition to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

The risks listed above do not necessarily comprise all those faced by the Group.

PART III - HISTORICAL FINANCIAL INFORMATION

PART IV - ADDITIONAL INFORMATION

1 Responsibility

- 1.1 The Directors (whose names, addresses and functions appear on page 9 of this document) and the Company (whose registered office appears on page 9 of this document) accept responsibility, both individually and collectively, for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Company and its subsidiary undertakings

- 2.1 The Company was incorporated on 14 November 1995 in England and Wales as a private company limited by shares with registered number 03125867 under the name Workware Business Systems Limited. On 12 May 2014, the Company changed its name to ActiveOps Operations Management International Limited. On 12 May 2015, the Company changed its name to ActiveOps Limited. On 17 March 2021, the Company re-registered as a public limited company and changed its name to ActiveOps plc. The Company is domiciled in the United Kingdom.
- 2.2 The principal legislation under which the Company and its securities operates is the Companies Act and the regulations made thereunder.
- 2.3 The Company's registered office and principal place of business is One Valpy, 20 Valpy Street, Reading, England, RG1 1AR, and will remain so on Admission. The telephone number of its registered office is 0118 907 5000. The Group's website is www.activeops.com and this will be the website which discloses the information required by AIM Rule 26 of the AIM Rules for Companies.
- 2.4 The Company is a public limited company and accordingly, the liability of the members of the Company is limited to the amount paid up on their shares.
- 2.5 The Group comprises the Company and the subsidiary undertakings set out in paragraph 2.6 of this Part IV. The principal activity of the Group, of which the Company is the main operating and trading entity, is to carry on business as a SaaS provider.
- 2.6 As at the date of this document the Company has, and will on Admission have, the following subsidiary undertakings, all of which (unless otherwise stated) are directly or indirectly wholly-owned:

Name	Country of incorporation	Field of activity	Percentage held
ActiveOps USA Inc.	USA	Main operating subsidiary of the Group in the US	100%
ActiveOps Australia Pty Ltd	Australia	Main operating subsidiary of the Group in Australia	100%
Active Operations Management Australia Pty Limited	Australia	Formerly managed the training and implementation aspects of the Australian business. Such activities are being migrated to ActiveOps Pty Ltd with Active Operations Management Australia Pty Limited expected to become dormant in due course.	100% through ActiveOps Australia Pty Ltd
Red Owl Technology Limited	Ireland	Formerly acted as contracting entity with	100%

Name	Country of incorporation	Field of activity	Percentage held
ActiveOps Canada Inc.	Canada	employees in the Republic of Ireland. Main operating subsidiary of the Group in Canada.	100%
ActiveOps Africa (Pty) Limited	South Africa	Main operating subsidiary of the Group in South Africa	100% through ActiveOps Overseas Limited
Active Operations Management India Private Limited	India	Main operating subsidiary of the Group in India.	95% owned by ActiveOps Overseas Limited
ActiveOps Overseas Limited	England and Wales	Non-trading holding company of ActiveOps Africa and Active Operations Management India Private Limited.	100%
Workware Business Systems LLP	England and Wales	Dormant. To be dissolved following Admission.	100%

2.7 The Company's accounting reference date is 31 March.

2.8 The Company has no administrative, management or supervisory bodies other than its Board, the Audit Committee, the Remuneration Committee and the Nomination Committee, such committees having no members other than Directors.

3 Corporate Reorganisation

3.1 In connection with Admission, the Company undertook the Corporate Reorganisation which comprised the following steps:

3.1.1 a bonus issue of a further 2,712,332 ordinary shares of nominal value £0.01 each and 1,226,564 A ordinary shares of nominal value £0.01 each at a ratio of two new shares for each share held (the "**Bonus Issue**");

3.1.2 the sub-division of each (i) ordinary share of nominal value £0.01 into ten ordinary shares of nominal value £0.001 each; and (ii) A ordinary share of nominal value £0.01 into ten A ordinary shares of nominal value £0.001 each (the "**Sub-Division**");

3.1.3 the re-registration of the Company as a public limited company and change of the Company's name to ActiveOps plc;

3.1.4 the equalisation of the rights attaching to the A ordinary shares of nominal value £0.001 with the ordinary shares of nominal value £0.001, to take effect at 6.00 a.m. on the date of Admission (the "**Equalisation**");

3.1.5 the re-designation of the A ordinary shares of nominal value £0.001 to ordinary shares of £0.001, to take effect at 6.00 a.m. on the date of Admission but after the Equalisation (the "**Re-designation**"); and

3.1.6 the exercise of a majority (but not all) outstanding share options in the Company (the "**Exercise of the Options**"), to take effect at 7 a.m. on the date of Admission.

3.2 The Corporate Reorganisation did not affect the Group's operations.

4 Share capital

4.1 On incorporation, two ordinary shares of nominal value £1.00 each were issued for the purpose

of incorporation to the subscribers to the Memorandum (the "**Subscriber Shares**").

4.2 The following changes in the issued share capital of the Company have taken place between incorporation and the date of this document:

- 4.2.1 on 14 November 1995, 1,798 ordinary shares of nominal value £1.00 each were allotted. The total statement of capital of the Company was 1,800 ordinary shares with a total aggregate nominal value of £1,800;
- 4.2.2 on 19 January 2006, 1,873 ordinary shares of nominal value £1.00 each were allotted. The total statement of capital of the Company was 3,673 ordinary shares with a total aggregate nominal value of £3,673;
- 4.2.3 on 12 March 2014, 1 ordinary share of nominal value £1.00 was allotted. The total statement of capital of the Company was 3,674 ordinary shares with a total aggregate nominal value of £3,674;
- 4.2.4 on 12 March 2014, 1,384 ordinary shares of nominal value £1.00 each were allotted. The total statement of capital of the Company was 5,058 ordinary shares with a total aggregate nominal value of £5,058;
- 4.2.5 on 14 March 2014, 3,676 ordinary shares of nominal value £1.00 each were allotted. The total statement of capital of the Company was 8,734 ordinary shares with a total aggregate nominal value of £8,734;
- 4.2.6 on 14 March 2014, 8,734 ordinary shares of nominal value £1.00 each were sub-divided into 873,400 ordinary shares of nominal value £0.01 each. The total statement of capital of the Company was 873,400 ordinary shares with a total aggregate nominal value of £8,734;
- 4.2.7 on 17 March 2014, 607,147 A ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 873,400 ordinary shares and 607,147 A ordinary shares with an aggregate nominal value of £14,805.47;
- 4.2.8 on 27 April 2014, 57,164 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 930,564 ordinary shares and 607,147 A ordinary shares with an aggregate nominal value of £15,377.11;
- 4.2.9 on 2 April 2015, 6,135 A ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 930,564 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £15,438.46;
- 4.2.10 on 19 October 2015, 5,850 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 936,414 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £15,496.96;
- 4.2.11 on 27 October 2015, 16,714 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 953,128 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £15,664.10;
- 4.2.12 on 17 June 2016, 4,178 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 957,306 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £15,705.88;
- 4.2.13 on 23 June 2016, 5,059 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 962,365 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £15,756.47;
- 4.2.14 on 27 July 2016, 2,926 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 965,291 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £15,785.73;
- 4.2.15 on 28 September 2016, 4,178 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 969,469 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £15,827.51;
- 4.2.16 on 1 April 2017, 330,000 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 1,299,469 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £19,127.51;

- 4.2.17 on 7 July 2017, 4,178 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 1,303,647 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £19,169.29;
- 4.2.18 on 14 August 2017, 1,045 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 1,304,692 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £19,179.74;
- 4.2.19 on 29 August 2017, 2,133 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 1,306,825 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £19,201.07;
- 4.2.20 on 1 January 2019, 2,899 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 1,309,724 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £19,230.06;
- 4.2.21 on 28 June 2019, 1,000 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 1,310,724 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £19,240.06;
- 4.2.22 between 18 February 2021 and 2 March 2021, 45,442 ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 1,356,166 ordinary shares and 613,282 A ordinary shares with an aggregate nominal value of £19,694.48;
- 4.2.23 on 8 March 2021, being the date the Bonus Issue completed, 2,712,332 ordinary shares of nominal value £0.01 each and 1,226,564 A ordinary shares of nominal value £0.01 each were allotted. The total statement of capital of the Company was 4,068,498 ordinary shares and 1,839,846 A ordinary shares with an aggregate nominal value of £59,083.44; and
- 4.2.24 on 8 March 2021, being the date the Sub-Division completed:
- 4.2.24.1 4,068,298 ordinary shares of nominal value £0.01 each were sub-divided into 40,684,980 ordinary shares of nominal value £0.001 each; and
- 4.2.24.2 1,839,846 A ordinary shares of nominal value £0.01 each were sub-divided into 18,398,460 A ordinary shares of nominal value £0.001 each.
- The total statement of capital of the Company was 40,684,980 ordinary shares and 18,398,460 A ordinary shares with an aggregate nominal value of £59,083.44.
- 4.3 At 6.00 a.m. on the date of Admission, the Equalisation and the Re-designation will complete, such that the 18,398,460 A ordinary shares of nominal value £0.001 each will be re-designated as 18,398,460 ordinary shares of nominal value £0.001 each, with the resulting total share capital being 59,083,440 Ordinary Shares with an aggregate nominal value of £59,083.44.
- 4.4 At 7 a.m. on the date of Admission, the Exercise of the Options will complete, such that 12,237,240 Ordinary Shares will be allotted, with the resulting total share capital being 71,320,680 Ordinary Shares with an aggregate nominal value of £71,320.68.
- 4.5 The following table shows the issued share capital of the Company as at the date of this document:
- | <i>Class of share</i> | <i>Number of shares</i> | <i>Aggregate nominal value (£)</i> |
|----------------------------------|--------------------------------|---|
| Ordinary Shares | 40,684,980 | 40,684.98 |
| A ordinary shares of £0.001 each | 18,398,460 | 18,398.46 |
| Total | 59,083,440 | 59,083.44 |
- 4.6 The following table shows the issued share capital of the Company as it will be immediately following Admission:

	Number of Ordinary Shares	Aggregate nominal value of Ordinary Shares (£)
Number of shares issued and fully paid up	71,320,680	71,320.68

4.7 By virtue of written resolutions passed by the requisite number of Shareholders on 8 March 2021, conditional upon Admission becoming effective.

- (i) in substitution for all subsisting but unused authorities for purposes of section 551 of the Companies Act, the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £47,576.12 comprising:
- (1) an aggregate nominal amount of £23,788.06 (whether in connection with the same offer or issue as under (b) below or otherwise); and
 - (2) an aggregate nominal amount of £23,788.06 in the form of equity securities (as defined in section 560 of the Companies Act) in connection with an offer by way of a rights issue, open for acceptance for a period fixed by the directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) on 15 months from the date of Admission or, if earlier, at the conclusion of the next Annual General Meeting of the Company, except that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority conferred by this authority had not expired; and

- (ii) the directors be empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560 of that Companies Act) for cash pursuant to the general authority conferred on them by paragraph (i) above and/or to sell equity securities held by the Company as treasury shares for cash pursuant to section 727 of the Companies Act, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:
- (1) any such allotment and/or sale of equity securities in connection with an offer by way of a rights issue or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - (2) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (ii)(1) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £3,568.21.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the directors by paragraph (i) above expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity

securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this authority had not expired; and

- (iii) in addition to the authority granted under paragraph (ii) above, the directors be empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560 of that Companies Act) for cash pursuant to the general authority conferred on them by paragraph (i) above and/or to sell equity securities held by the Company as treasury shares for cash pursuant to section 727 of the Companies Act, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be:
- (1) limited to any such allotment and/or sale of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £3,568.21; and
 - (2) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date on which the notice seeking this authority was issued.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the directors by paragraph (i) above expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this authority had not expired.

- 4.8 The Ordinary Shares are in registered form. They are capable of being held in certificated form or, following Admission, in uncertificated form and traded on CREST. The records in respect of shares held in uncertificated form will be maintained by Euroclear and the Registrars.
- 4.9 Save in connection with the grant of options under the Share Plans and the allotment and issue of Ordinary Shares pursuant to options already granted under the Share Plans (as described in paragraph 7 of this Part IV) there is no present intention to issue any of the authorised but unissued share capital of the Company or to utilise any of the authorities referred to in paragraph 4.7 of this Part IV.
- 4.10 On Admission there will be 43,500 Ordinary Shares outstanding under options (taking into account the effect of the Corporate Reorganisation) granted pursuant to the Active Operations Management International Limited Option Scheme adopted on 22 October 2014 (the “Plan”), which are held by certain employees of the Group. In accordance with the rules of the Plan, these options will lapse to the extent not exercised within the period of six months of Admission. It is not proposed that the Company will grant any further options under the Plan, which will be terminated in due course.
- 4.11 There have been no public takeover bids by third parties for all or any part of the Company's equity share capital during the last financial year of the Company or the period up to and including the date immediately prior to the date of this document.
- 4.12 As at the date of this document, there is no class of shares in issue other than Ordinary Shares and no shares have been issued other than as fully paid.
- 4.13 Save as set out in paragraph 7 of this Part IV, the Company has not issued or granted, or agreed to issue or grant, any options, warrants, exchangeable securities, securities with warrants or any convertible securities of the Company.
- 4.14 The Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility nor has any application for such admission been made and it is not intended to make such arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with the Admission.

4.15 The Company does not have in issue any securities not representing share capital.

5 The Articles

The Articles, which were adopted to take effect immediately prior to Admission pursuant to a resolution of the members of the Company passed on 8 March 2021, contain, among other things, provisions to the following effect:

5.1 Objects

The Articles do not provide for: (i) any objects of the Company and accordingly the Company's objects are unrestricted; or (ii) any purposes for which the Company was established.

5.2 Voting rights of members

5.2.1 In general, all members who have properly registered their shares in time may participate in general meetings. If the notice of the meeting has specified a time (which is not more than 48 hours - ignoring any part of a day that is not a working day - before the time fixed for the meeting) by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting, no person registered after that time shall be eligible to attend and vote at the meeting by right of that registration, even if present at the meeting.

5.2.2 Subject to any special terms as to voting for the time being attached to any shares in the Company, on a show of hands every member present in person or by duly appointed proxy at a general meeting and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every share held by him. In the case of joint holders, the person whose name stands first in the register of members and who votes in person or by proxy is entitled to vote to the exclusion of all other joint holders.

5.2.3 No holder of an Ordinary Share shall, unless the Board otherwise determines, be entitled (except as a proxy for another member) to be present or vote at a general meeting either personally or by proxy if any call or other sum presently payable by him to the Company in respect of that Ordinary Share remains unpaid; or if he or any other person who appears to be interested in the Ordinary Share has been duly served pursuant to the Companies Act with a disclosure notice (see paragraph 5.11 below).

5.2.4 A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised to do so on his behalf as long as evidence satisfactory to the Board of that person's authority is provided in accordance with the Articles.

5.3 Dividends

5.3.1 Subject to the Statutes, the Company may declare dividends by ordinary resolution, and interim dividends can be paid by the Board. No dividend may be paid in contravention of the special rights attaching to any share, and no dividend declared in general meeting shall be payable in excess of the amount recommended by the Board. Unless otherwise resolved, all dividends are apportioned and paid proportionately to the amounts paid up on the Ordinary Shares during any portion or portions of the period in respect of which the dividend is paid. A dividend may, upon the recommendation of the Board and on being approved by ordinary resolution, be wholly or partly satisfied by the distribution of assets and, in particular, of paid up shares or debentures of any other company. No dividend shall bear interest against the Company unless otherwise provided by the rights attached to the share. Any dividend, interest or other sums payable and unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend, interest or other sums unclaimed for a period of 12 years from the date of such dividend having been declared, or such interest or other sums becoming payable, shall be forfeited and shall revert to the Company.

5.3.2 The Board may, if authorised by ordinary resolution, offer Shareholders, in respect of any dividend, the right to elect to receive Ordinary Shares by way of scrip dividend instead of cash. The Board may withhold payment of all or any part of any dividends or other monies payable in respect of any Ordinary Shares that represents at least 0.25 per cent. of the Ordinary Shares in issue (excluding any Ordinary Shares held as treasury shares) if a person who has, or appears to

the Company to have, an interest in those Ordinary Shares has failed to comply with a disclosure notice (see paragraph 5.11 below).

5.4 Return of capital

Under the Statutes, as there is nothing to the contrary in the Articles, on a voluntary winding-up of the Company, the liquidator may divide among the members the whole or any part of the assets of the Company. For such purpose, the liquidator may set the value and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members.

5.5 Redeemable shares

Subject to the Statutes and to the rights attached to existing shares, shares may be issued which are to be redeemed or which are liable to be redeemed at the option of the Company or of the holder, and the Board may determine the terms, conditions and manner of redemption of any such shares.

5.6 Form of holding of shares

The Ordinary Shares are in registered form and a register of members is maintained by the Registrars. Ordinary Shares may be held in either certificated or (subject to the Articles) uncertificated form. The transferor of an Ordinary Share is deemed to remain the holder until the transferee's name is entered in the register.

5.7 Transfer of shares

Ordinary Shares may be transferred, if in certificated form, by an instrument of transfer in writing in any usual form, or in such other form as the Board may approve or, if held in uncertificated form, in accordance with the CREST Regulations and the CREST rules or otherwise in such manner as the Board in its absolute discretion shall determine. Any instrument of transfer must be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee. Subject to the Statutes, the Board may refuse to register any transfer of a share:

- (a) if it is in certificated form, if the share is not fully paid or if the Company has a lien on it (except that such the Board's discretion to refuse the transfer may not be exercised so as to prevent dealings in shares of the relevant class from taking place on an open and proper basis);
- (b) if it is in certificated form, unless it is lodged, duly stamped (if required), at the registered office of the Company and accompanied by the certificate for the shares to which it relates and/or evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (c) if the transfer is not in respect of one class of share only;
- (d) if the transfer is not in favour of four or fewer transferees;
- (e) if the transfer is in favour of a minor, bankrupt or person of mental ill-health;
- (f) if it is held in uncertificated form, in any other circumstances permitted by the CREST Regulations and/or the CREST rules; or
- (g) where the Board is obliged or entitled to refuse to do so where a person has failed to comply with a disclosure notice (see paragraph 5.11 below).

5.8 Pre-emption rights

Subject to the Statutes and any resolution passed by the Company, shares may be issued with such rights and restrictions as the Company may by ordinary resolution determine, or (if there is no determination) as the Board may determine. Subject to the Statutes, the Articles and any resolution passed by the Company, unissued shares are at the disposal of the Board.

Under the Statutes, if the Company issues shares or certain other securities, current Shareholders will generally have pre-emption rights to those shares or securities on a pro-rata basis. The Shareholders may, by special resolution, grant authority to the Board to allot shares as if the pre-emption rights did not apply. This authority may be either specific or general and may not exceed a period of five years.

5.9 Variation of rights

Under the Statutes, as the Articles do not provide otherwise the rights attached to any class of shares may

be altered or abrogated with the written consent of the holders of not less than three fourths in number of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of that class.

5.10 Lien and forfeiture

The Company has a lien on every partly paid up share for all monies called or payable in respect of that share. The Company may serve notice on the members in respect of any amounts unpaid on their shares. The member shall be given not less than 14 clear days' notice to pay the unpaid amount, together with any interest and all costs, charges and expenses incurred by the Company. In the event of non-compliance, a share in respect of which the notice is given may be forfeited by resolution of the Board.

5.11 Disclosure of interests in shares and restrictions for failure to provide information

- (a) If a person appearing to have an interest in the issued share capital of the Company of a class carrying rights to vote in all circumstances at general meetings has failed to give the Company within 14 days information required by a notice requiring that information (a disclosure notice), the Board may, at its discretion, impose restrictions upon the relevant shares.
- (b) The restrictions available are the suspension of voting or other rights in relation to meetings of the Company in respect of the relevant shares and, additionally, in the case of Shareholders representing at least 0.25 per cent. of that class of shares (excluding any shares of that class held as treasury shares), the withholding of payment on dividends on, and in certain cases the restriction of transfers of, the relevant shares. The restrictions shall cease to apply seven days after the earlier of receipt by the Company of notice of an excepted transfer (but only in relation to the shares transferred) and due compliance, subject to the satisfaction of the Board, with the disclosure notice. For these purposes, an excepted transfer means a transfer pursuant to acceptance of a takeover bid, or a sale of the whole beneficial interest in the shares on a recognised investment exchange or a stock exchange outside the United Kingdom on which the shares are normally traded, or a sale of the whole beneficial interest in the shares otherwise than on a stock exchange to a person whom the Board is satisfied is not connected with the transferor or with any person appearing to be interested in the shares.
- (c) The Disclosure and Transparency Rules require Shareholders (subject to certain exceptions) to notify the Company if the voting rights directly or indirectly held (within the meaning of those rules) by such Shareholder reaches, exceeds or falls below three per cent. and each one per cent. threshold above that.

5.12 General meetings

- (a) The Companies Act requires annual general meetings to be held on a regular basis in addition to any other general meetings. The Board may call other general meetings whenever it thinks fit. The Board must also convene a meeting upon the valid request of members holding not less than 5 per cent. of the Company's paid up capital carrying voting rights at general meetings. If the Board fails to give notice of such meeting to members when required to do so, the members that requested the general meeting, or any of them representing more than one half of the total voting rights of all members that requested the meeting, may themselves convene a meeting.
- (b) An annual general meeting shall be convened by at least 21 clear days' notice and (subject to the Statutes) all other general meetings shall be convened by at least 14 clear days' notice. Every notice calling a general meeting shall specify the place (including any electronic facility if applicable), the day and the time of the meeting and the general nature of the business to be transacted. The Board may resolve to permit persons to attend a general meeting simultaneously at a satellite meeting place or places and/or by means of an electronic facility.
- (c) Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. If a quorum is not present within fifteen minutes of the commencement time of the meeting (or such longer time not exceeding one hour as the chair of the meeting may decide to wait), the meeting, if requisitioned by members, shall be dissolved or, in any other case, adjourned to such time (not being less than ten nor more than 28 days later) and place as the chair of the meeting shall decide and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) and entitled to vote shall be a quorum.
- (d) Members may attend and vote in person or by duly appointed proxy. A member may appoint

more than one proxy in relation to a general meeting, provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the member. The Articles contain provisions for the appointment of proxies, including time limits for making such appointments ahead of the meeting and provisions for appointment by means of electronic communication.

- (e) A simple majority of members entitled to vote and who are present in person or by duly appointed proxy may pass an ordinary resolution. To pass a special resolution, a majority of not less than three fourths of the members entitled to vote and who are present in person or by duly appointed proxy at the meeting is required.
- (f) The Board may direct that persons entitled to attend any general meeting should submit to searches or other security arrangements or restrictions, and may refuse entry to a general meeting to any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions, whether participating at a satellite meeting place and/or by means of an electronic facility. If any person has gained entry to a general meeting and refuses to comply with any such security arrangements or restrictions or disrupts the proper and orderly conduct of the general meeting, the chair of the meeting may at any time, without the consent of the general meeting, require the person to leave or be removed from the meeting.
- (g) Where the Board has resolved to enable persons to attend any general meeting by simultaneous attendance and/or by participation through an electronic facility, the Board or chair may make arrangements or impose restrictions to ensure the identity of those participating by means of an electronic facility and the security of the electronic communications. Any such arrangement must be proportionate to achieving their aims.

5.13 Notices to overseas shareholders

Shareholders with registered addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which notices may be served. Such address may, if the Board agrees, be an address for the purposes of electronic communications.

5.14 The Board

Subject to the Statutes and the Articles, the business of the Company is managed by the Board, which may exercise all the powers of the Company, subject to any directions given by the Company in general meeting by special resolution. No alteration of the Articles, and no such directions by special resolution, shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee consisting of such person or persons as it thinks fit (whether a member or members of its body or not), provided that the majority of the members of the committee are directors. Subject to any restriction on sub-delegation imposed by the Board, any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee).

5.15 Directors

(a) Appointment and retirement of Directors

The directors (excluding alternate directors) shall not, unless otherwise determined by ordinary resolution, be fewer than two but shall not be subject to any maximum number. A director need not be a member of the Company.

Directors may be appointed by the Company by ordinary resolution or by the Board. A director appointed by the Board holds office only until the end of the annual general meeting of the Company following their appointment unless they are reappointed during the meeting.

At every annual general meeting one-third of the directors (or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third) must retire from office, as well as any director not appointed or re-appointed a director at either of the last two general meetings before that meeting. The Company may fill any vacated office by re-electing the retiring director or some other person eligible for appointment.

No director may vote or be counted in the quorum on any resolution of the Board concerning

their own appointment (including the settlement or variation of the terms, or the termination, of the appointment) as the holder of any office or place of profit within the Company or any other company in which the Company is interested.

(b) Remuneration of Directors

The Directors shall be entitled to receive fees for their services at a rate which shall not exceed an aggregate sum of £400,000 per annum or such higher amount as the Company, by ordinary resolution, may determine from time to time.

Any Director who holds any executive office, or who serves on any committee or devotes special attention to the business of the Company, shall receive such remuneration or extra remuneration by way of salary, commission, participation in profits or otherwise as the Board, or any committee authorised by the Board, may determine.

The Company may pay the directors' expenses properly incurred by them in connection with the business of the Company, including their expenses of travelling to and from meetings of the Board, committee meetings or general meetings.

(c) Directors' interests

Subject to the Statutes, provided the director has disclosed to the Board the nature and extent of any material interest of theirs, a Director notwithstanding their office:

- (i) may hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director and may act by themselves or through their firm in a professional capacity for the Company;
- (ii) may be a party to, or otherwise interested in, any contract with the Company or in which the Company is otherwise interested;
- (iii) may be a director or other officer of, or employed by, or a party to any contract with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or in relation to which the Company has power of appointment; and
- (iv) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which they derive from any such office or employment or from any such contract or from any interest in such body corporation nor shall the receipt of such remuneration or benefit constitute a breach of the duty under the Companies Act not to accept benefits from third parties.

(d) Restrictions on Directors voting

A director is not permitted to vote or be counted in the quorum on any resolution of the Board or of a committee of the Board concerning any matter in which they have, to their knowledge, directly or indirectly, an interest or duty that is material. This prohibition does not apply to any of the following matters:

- (i) the giving to them of any guarantee, security or indemnity in respect of money lent or obligations incurred by them or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (ii) the giving by the Company of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director themselves has assumed responsibility in whole or in part (whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (iii) the director subscribing or agreeing to subscribe for, or purchasing or agreeing to purchase, any shares, debentures or other securities of the Company or any of its subsidiary undertakings;
- (iv) any contract concerning any company (not being a company in which the director owns 1 per cent. or more) in which they are interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise;
- (v) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings under which they benefit in a similar manner as the employees;
- (vi) any contract concerning any insurance which the Company is empowered to purchase or

maintain for, or for the benefit of, any directors or for persons who include directors; or

- (vii) any indemnity permitted by the Articles (whether in favour of the director or others as well) against any costs, charges, expenses, losses and liabilities sustained or incurred by them as a director of the Company or of any of its subsidiary undertakings, or any proposal to provide the director with any advance towards the costs of defending themselves in relation to any civil or criminal proceedings or any investigation or other action by a regulator taken against them as a director.

(e) Conflicts of interest requiring Board authorisation

The Board may, provided the quorum and voting requirements are satisfied, authorise any matter that would otherwise involve a director breaching their duty under the Companies Act to avoid conflicts of interest. Any director may propose that the director concerned be authorised in relation to any matter which is the subject of such a conflict and such proposal shall be resolved upon by the Board in the same manner as any other matter, except that the director who is the subject of the conflict (or any other director with a similar interest) shall not count towards the quorum or vote on the resolution authorising the conflict.

Any such authority may provide:

- (i) for the exclusion of such a director from the receipt of information or participation in decision-making or discussion (whether at Board meetings or otherwise) related to the conflict;
- (ii) that such a director will be obliged to conduct themselves in accordance with any terms imposed by the Board from time to time in relation to the conflict but will not be in breach of their duties by reason of them doing so;
- (iii) that, where such a director obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (iv) that such a director shall not be accountable to the Company for any benefit that they receive as a result of the conflict;
- (v) that the receipt by such a director of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Companies Act not to accept benefits from third parties;
- (vi) that the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (vii) that the Board may withdraw the authority at any time.

5.16 Borrowing powers

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

The Board restricts the borrowing of the Company and exercises all its voting and other rights and powers of control exercisable by the Company in relation to the Group to ensure that the aggregate borrowings of the Group (excluding borrowings owed by one Group member to another) does not, without the previous sanction of an ordinary resolution, exceed an amount equal to three times the adjusted capital and reserves.

5.17 Indemnity of officers

Subject to the Statutes, any person who is or was at any time a director, secretary or other officer (unless the office is or was as auditor) of the Company or of any of its subsidiary undertakings may be indemnified out of the assets of the Company to whatever extent the Board may determine against losses incurred in the actual or purported execution of his duties or office, whether or not sustained or incurred in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or the relevant subsidiary undertaking.

The Board also has power to provide funds to meet any expenditure incurred or to be incurred by any such person in defending any criminal or civil proceeding in which they are involved by reason of their office, or in connection with any application under the Companies Act, or in defending themselves in an investigation, or action proposed to be taken, by a regulatory authority in connection with their office, or in order to enable them to avoid incurring such expenditure.

5.18 Power to insure

The Board may purchase and maintain insurance at the expense of the Company for the benefit of any person in their capacity of a director, officer, employee or trustee of the Company or any member of the Group, or any entity or trust in which the Company or any other member of the Group has an interest.

5.19 Untraceable shareholders

The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by transmission if:

- (a) during a period of 12 years prior to the date of advertising its intention to sell such shares at least three cash dividends in respect of such shares have become payable but no dividend has been claimed;
- (b) after the expiry of that period, the Company has published a notice stating it intends to sell the shares in a leading national daily newspaper in the United Kingdom and in a newspaper circulating in the area of the last known address of the member or the person entitled by transmission; and
- (c) during that period or three months following the publication of the advertisements and prior to the exercise of the power of sale, the Company has not heard from the member or the person entitled to the shares by transmission.

The net proceeds of such sale shall belong to the Company, which shall be obliged to account to the former member or other person who would have been entitled to the shares for an amount equal to the proceeds as a creditor of the Company.

5.20 Mandatory takeover bids, squeeze-out and sell-out rules

Except as provided by the Companies Act and the Takeover Code, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the Ordinary Shares.

6 Interests of the Directors and others, major shareholders and related party transactions

6.1 Directors' interests

6.1.1 The beneficial interests of the Directors and of those persons connected with them (within the meaning of sections 252 to 254 of the Companies Act) in the share capital of the Company as at the date of this document and at Admission are/will be as follows:

As at the date of this document⁽¹⁾

	<i>Number of Ordinary Shares</i>	<i>Aggregate nominal value of Ordinary Shares (£)</i>
Sean Finnan	368,040	368.04
Richard Jeffery	13,101,000	13,101.00
Patrick Deller	Nil	Nil
Michael McLaren	Nil	Nil
Hilary Wright	Nil	Nil

(1) The number of Ordinary Shares held as shown in this table takes into account the effect of the Corporate Reorganisation (excluding any options exercised at 7 a.m. on the Date of Admission).

As at the date of this document, Patrick Deller holds options over an aggregate of 600,000 Ordinary Shares (taking into account the effect of the Corporate Reorganisation) being an option over 540,000 Ordinary Shares at an exercise price of £0.27 per Ordinary Share and an option over 60,000 Ordinary Shares at an exercise price of £0.33 per Ordinary Share. Sean Finnan

holds options over an aggregate of 366,270 Ordinary Shares (taking into account the effect of the Corporate Reorganisation), being an option over 150,270 Ordinary Shares at an exercise price of £0.27 per Ordinary Share and an option over 216,000 Ordinary Shares at an exercise price of £0.33 per Ordinary Share. These options will be exercised at 7 a.m. on 29 March 2021.

On Admission

	Number of Ordinary Shares	Aggregate nominal value of Ordinary Shares (£)
Sean Finnan	36,804	36.80
Richard Jeffery	9,825,750	9,825.75
Patrick Deller	390,000	390.00
Michael McLaren	59,523	59.52
Hilary Wright	11,904	11.90

6.1.2 At 7:50 a.m. on the date of Admission, the following options over Ordinary Shares will be granted pursuant to the PSP 2021 with an exercise price equal to the nominal value per Ordinary Share and pursuant to the CSOP 2021 with an exercise price equal to the Placing Price to the following Directors:

Director	No. of Ordinary Shares under option	Vesting period	Exercise Price per Ordinary Share	Share Plan
Richard Jeffery	5,952	Third anniversary of the date of grant	£1.68	CSOP 2021
Richard Jeffery	119,040	Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021
Patrick Deller	2,976	Third anniversary of the date of grant	£1.68	CSOP 2021
Patrick Deller	151,800	Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021

6.1.3 None of the Directors, nor persons connected with them (within the meaning of sections 252 to 254 of the Companies Act), has any related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares.

6.1.4 The voting rights of the Shareholders set out in paragraph 6.1 above do not differ from the voting rights held by other Shareholders.

6.2 Directors' service contracts and letters of appointment

6.2.1 Sean Finnan is engaged by the Company as a Non-Executive Chairman on the terms of a letter of appointment dated 16 March 2021 for an initial term of two years, terminable thereafter on not less than three months' prior written notice. Sean Finnan commenced in that office in 2019 (having been appointed as a non-executive director in 2014) and, accordingly, has served in that office for approximately two years. Sean Finnan will receive a fee of £65,000 per annum

and is subject to confidentiality undertakings. He is not entitled to any payment on termination of his appointment by the Company, other than for fees due in respect of his notice period and reimbursement of any expenses properly incurred before the date of termination.

- 6.2.2 On 25 March 2021 the Company entered into a service agreement with Richard Jeffery. The contract provides for Richard Jeffery to act as Chief Executive Officer of the Company at a salary of £200,000 per annum. His employment with the Group commenced in 2005 and, accordingly, he has served in the capacity as Chief Executive Officer for 16 years. The service agreement is terminable by either party on giving not less than 12 months' notice in writing. Under the service agreement, Richard Jeffery is entitled to 30 paid working days holiday each year in addition to public holidays in England and Wales, to participate in a discretionary bonus scheme, to become a member of the ActiveOps group personal pension scheme, to participate in the PSP 2021, participate in a company car scheme and to participate in benefit schemes provided by the Company, including medical, income protection and employee life insurance. Richard Jeffery is subject to non-competition and non-solicitation covenants for a period of six months following termination of his employment with the Company and to a confidentiality undertaking.
- 6.2.3 On 25 March 2021 the Company entered into a service agreement with Patrick Deller. The contract provides for Patrick Deller to act as Chief Financial Officer of the Company at a salary of £170,000 per annum. His employment with the Company commenced in September 2015 and, accordingly, he has served as Chief Financial Officer for five and a half years. The service agreement is terminable by either party on giving not less than 12 months' notice in writing. Under the service agreement, Patrick Deller is entitled to 30 paid working days holiday each year in addition to public holidays in England and Wales, to participate in a discretionary bonus scheme, to become a member of the ActiveOps group personal pension scheme, to participate in the PSP 2021 and to participate in benefit schemes provided by the Company, including medical, income protection and employee life insurance. Patrick Deller is subject to non-competition and non-solicitation covenants for a period of six months following termination of his employment with the Company and to a confidentiality undertaking.
- 6.2.4 Michael McLaren is engaged by the Company as a Non-Executive Director on the terms of a letter of appointment dated 16 March 2021 for an initial term of three years, terminable thereafter on not less than three months' prior written notice. Michael commenced in that office on 12 March 2021. Michael will receive a fee of £45,000 per annum and is subject to confidentiality undertakings. He is not entitled to any payment on termination of his appointment by the Company, other than for fees due in respect of his notice period and reimbursement of any expenses properly incurred before the date of termination.
- 6.2.5 Hilary Wright is engaged by the Company as a Non-Executive Director on the terms of a letter of appointment dated 16 March 2021 for an initial term of three years, terminable thereafter on not less than three months' prior written notice. Hilary Wright commenced in that office on 12 March 2021. Hilary will receive a fee of £45,000 per annum and is subject to confidentiality undertakings. She is not entitled to any payment on termination of her appointment by the Company, other than for fees due in respect of her notice period and reimbursement of any expenses properly incurred before the date of termination.
- 6.2.6 Save as set out above, since the Company's incorporation there have been no, and there are no existing or proposed, service contracts between any Director and the Company or any member of the Group providing for benefits upon termination of employment and none are currently proposed.

6.3 **Senior managers' interests**

6.3.1 The beneficial interests of the senior managers named in paragraph 12.2 of Part I of this document and those persons connected with them (within the meaning of sections 252 to 254 of the Companies Act) in the share capital of the Company as at the date of this document and as at Admission are/will be as follows:

As at the date of this document⁽¹⁾

	No. of Ordinary Shares	Aggregate nominal value of Ordinary Shares (£)
Kuljit Bawa	450,000	450.00
Kevin Evans	Nil	Nil
Peter Alex Ginger	Nil	Nil
Julian Harper	949,290	949.29
Spencer O'Leary	745,230	745.23
Stuart Pugh	Nil	Nil

(1) The number of Ordinary Shares held as shown in this table takes into account the effect of the Corporate Reorganisation (excluding any options exercised at 7 a.m. on the date of Admission).

On Admission

	No. of Ordinary Shares	Aggregate nominal value of Ordinary Shares (£)
Kuljit Bawa	999,950	999.95
Kevin Evans	36,000	36.00
Peter Alex Ginger	774,240	774.24
Julian Harper	1,179,780	1,179.78
Spencer O'Leary	745,230	745.23
Stuart Pugh	30,000	30.00

6.3.2 At 7:50 a.m. on the Date of Admission, the following options over Ordinary Shares will be granted pursuant to the CSOP 2021 with an exercise price equal to the Placing Price and pursuant the PSP 2021 with an exercise price equal to the nominal value per Ordinary Share to the senior managers named in paragraph 6.3.1 of this Part IV:

Senior manager	No. of Ordinary Shares under option	Vesting period	Exercise Price per Ordinary Share	Share Plan
Kuljit Bawa	2,976	Third anniversary of the date of grant of the option	£1.68	CSOP 2021
Kuljit Bawa	50,010	Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021
Kevin Evans	1,488	Third anniversary of the date of	£1.68	CSOP 2021

<i>Senior manager</i>	<i>No. of Ordinary Shares under option</i>	<i>Vesting period</i>	<i>Exercise Price per Ordinary Share</i>	<i>Share Plan</i>
Kevin Evans	207,600	grant of the option Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021
Peter Alex Ginger	5,952	Third anniversary of the date of grant of the option	£1.68	CSOP 2021
Peter Alex Ginger	66,960	Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021
Julian Harper	2,976	Third anniversary of the date of grant of the option	£1.68	CSOP 2021
Julian Harper	47,610	Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021
Spencer O'Leary	4,464	Third anniversary of the date of grant of the option	£1.68	CSOP 2021
Spencer O'Leary	116,850	Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021
Stuart Pugh	893	Third anniversary of the date of grant of the option	£1.68	CSOP 2021
Stuart Pugh	207,600	Third anniversary of the date of grant of the option, subject to the satisfaction of performance conditions	£0.001	PSP 2021

6.4 **Significant shareholders**

6.4.1 In addition to the interests of the Directors set out in paragraph 6.1 above, as at the date of this document, so far as the Directors are aware, the following persons are the only persons who hold voting rights (within the meaning of the Disclosure and Transparency Rules) directly or indirectly,

in respect of three per cent. or more of the Company's issued share capital or will hold such rights immediately following Admission.

Name	As at the date of this document⁽¹⁾		Immediately following Admission	
	Number of Existing Ordinary Shares	Percentage of Existing Ordinary Shares	Number of Ordinary Shares	Percentage of Ordinary Shares
Calculus	17,294,490	29.27%	4,323,622	6.06%
Neil Bentley	12,651,000	21.41%	5,060,400	7.10%
Paul Moroney ⁽²⁾	4,076,820	6.90%	250,710	0.35%
Hauschild family ⁽³⁾	3,826,110	6.48%	Nil	Nil

(1) The number of shares held as shown in this table takes into account the effect of the Corporate Reorganisation.

(2) Includes shares held by trusts, the beneficiaries of which are the Moroney family.

(3) Held via trusts, the beneficiaries of which are the Hauschild family.

6.4.2 The Company is not aware of any person, who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

6.4.3 The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

6.4.4 The persons referred to in paragraph 6.4.1 of this Part IV, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other shareholder of the Company.

6.5 **Other interests**

6.5.1 Over the five years preceding the date of this document, the Directors hold or have been directors or partners of the following companies and partnerships (other than the Group) incorporated in the United Kingdom and overseas (as the case may be):

Name of Director	Current directorships/partnerships	Past directorships/partnerships
Sean Finnan	Avvio Limited Sean Finnan & Associates Ltd	Southbank Sinfonia
Richard Jeffery	Workware plc ²	None
Patrick Deller	Workware plc ³	None
Michael McLaren	Astra 5.0 Limited FDM Astra Ireland Limited FDM Group Inc. FDM Group B.V. (Netherlands) FDM Group Canada Inc. FDM Group (Holdings) Plc FDM Group Limited FDM South Africa (PTY) Ltd FDM Grupa Polska sp z o.o.	None
Hilary Wright	Midwich Group plc The Diocese of Ely Multi-Academy Trust	None

6.5.2 None of the Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or her or entered any form of individual

² Dormant company expected to be dissolved shortly after Admission.

³ As above

voluntary arrangement;

- (c) been a director of a company at the time of, or within the 12 months preceding the date of, its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or composition or arrangement with its creditors generally or any class of creditors;
 - (d) been a partner in a partnership at the time of, or within the 12 months preceding the date of, its compulsory liquidation, administration or partnership voluntary arrangement;
 - (e) owned any asset which has been placed in receivership or been a partner of any partnership at the time at which, or within the 12 months preceding the date on which, any asset of that partnership has been placed in receivership;
 - (f) been subject to any public criticism by any statutory or regulatory authority (including a recognised professional body); or
 - (g) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.5.3 No Director has or has had any interest, whether direct or indirect, in any transaction with any member in the Group that was unusual in its nature or conditions or was significant to the business of the Group taken as a whole and which was effected by the Group since incorporation and which at the date of this document remains outstanding or unperformed.
- 6.5.4 The Company proposes to pay certain members of its management team an aggregate cash bonus of £80,000 in recognition of the additional work undertaken on behalf of the Company in connection with Admission.

6.6 **Related party transactions**

- 6.6.1 Save as disclosed in note 25, Section B and note 10, Section D of the historical financial information set out in Part III of this document, there have been no related transactions of the kind set out in the Standards adopted according to Regulation (EC) No 1606/2002 that the Group has entered into during the period covered by the historical financial information set out in Part III of this document and up to the date of this document.

7 **Share Plans**

Following Admission, the Company intends to operate the Share Plans, the principal terms of which are as follows:

7.1 **Company Share Option Plan 2021 ("CSOP 2021")**

Administration

The Remuneration Committee is responsible for administering the CSOP 2021. The Committee has the power to make or vary regulations for the administration and operation of the CSOP 2021, provided that these are consistent with the rules of the CSOP 2021. The decision of the Committee as to any matter, question or dispute arising from the CSOP 2021 shall be final and conclusive and binding on the Company and participants.

Eligibility

Awards under the CSOP 2021 ("**Awards**") may only be granted to eligible employees of the Group selected at the discretion of the Remuneration Committee. Awards may also be made to certain individuals who provide services to the Group but are not employees of the Group, but these will be granted pursuant to a non-employee sub-plan to the CSOP 2021.

Awards granted to employees in the UK will, subject to statutory limits imposed by the legislation, be granted as tax-advantaged share options designed to comply with the requirements of Schedule 4 to ITEPA ("**CSOP Options**").

Period for grant of Awards

The Remuneration Committee may grant Awards at any time with the period of 42 days beginning on: (a) the date on which the CSOP 2021 is adopted by the Company; or (b) the announcement of the Company's interim or final results for any financial year. In exceptional circumstances, the Remuneration Committee

may grant Awards at other times. It is intended that awards under the CSOP 2021 (“**Initial Awards**”) will be made on Admission over the relevant number of ordinary shares in the share capital of the Company (“**Shares**”) with a market value as at the date of Admission equal to £658,500, with such Awards being made to all employees in the Group (and certain non-employees for the provision of services to the Group) as a reward for their part in helping the Company reach this stage in its development.

Structure of Awards

The Remuneration Committee will determine the structure of an Award at the time of grant. Awards may be structured as:

- “**Options**” i.e. rights to acquire Shares with an exercise price equal to the market value of a Share as at the date of grant, including a CSOP Option; or
- “**Phantom Awards**” i.e. rights to receive a cash payment in the future that is equivalent to the economic value that would have been delivered through an Option.

Options granted to participants not resident in the UK will not qualify for the tax-advantaged status of CSOP Options and will be treated as non-tax-advantaged Options. Phantom Awards will only be granted to employees in jurisdictions where there are relatively few participants.

The Remuneration Committee proposes to grant the Initial Awards over a number of Shares determined by reference to the relevant participant’s duration of service with the Group (or provision of services to the Group for non-employees).

Plan limits

The number of Shares that may be issued or be capable of being issued pursuant to Awards granted after Admission (i.e. not including the Initial Awards to be granted on Admission referred to above) will not exceed 10 per cent. of the Company’s issued ordinary share capital from time to time, when aggregated with the number of Shares issued or issuable pursuant to rights granted after Admission and in the preceding ten years under any other employees’ share scheme adopted by the Company.

In addition, and in line with the statutory limits relating to CSOP Options, the total fair market value of the unexercised CSOP Options that an individual participant may hold at any one time cannot exceed £30,000.

In respect of the Initial Awards (granted to the employees), it is proposed that:

- Employees with ten or more years’ service will be granted an Award over Shares with a market value equal to £10,000;
- Employees with seven and a half to ten years’ service will be granted an Award over Shares with the market value equal to £7,500;
- Employees with five to seven and a half years’ service will be granted an Award over Shares with a market value equal to £5,000;
- Employees with two and a half to five years’ service will be granted an Award over Shares with a market value equal to £2,500;
- Employees with one to two and a half years’ service will be granted an Award over Shares with a market value equal to £1,500;
- All other employees will be granted an Award over Shares with a market value equal to £500.

It is proposed that the Initial Award granted to a non-employee will have a market value equal to £150,000.

Market value for these purposes is treated as being the Placing Price (and has been agreed as such with HMRC for the purpose of CSOP Options).

Vesting, exercise and lapse of Awards

Awards will be subject to vesting conditions as to continued service but to no other performance conditions. The Remuneration Committee will determine at the time of grant of an Award the vesting conditions applying to the Award.

Awards will normally, and the Initial Awards will, vest and become exercisable in full on the third anniversary of the date of grant.

An Award will lapse immediately on a participant ceasing to be employed (or on any earlier date on which notice to terminate the participant’s employment is given) where such cessation is by reason of dismissal for gross misconduct or other disciplinary reasons (as determined by the Remuneration Committee, in its absolute discretion).

An Award will lapse on a participant ceasing to be employed within the Group for any other reason (including death) prior to the first anniversary of the date of grant. An Award will lapse on a participant ceasing to be employed within the Group otherwise than as a “good leaver” for any other reason (excluding death) on or after the first anniversary, but prior to the third anniversary, of the date of grant.

Where a participant ceases to be employed within the Group as an automatic good leaver (see further below) on or after the first anniversary but prior to the third anniversary of the date of grant, any Award held by such participant shall vest and become exercisable in full for a period of six months commencing on the date of cessation of employment, upon the expiry of which it will lapse to the extent unexercised.

Where a participant ceases to be employed within the Group where the Remuneration Committee has decided to treat such participant to be a good leaver, any Award held by such participant shall vest and become exercisable to the extent determined by the Remuneration Committee in its absolute discretion (but subject to a minimum of 33.33 per cent. for a period commencing on such cessation and ending six months’ thereafter (or, if later, three years and six months after the date of grant)), and shall lapse on the expiry of such period to the extent unexercised.

Where a participant ceases to be employed by the Group after the first anniversary of the date of grant of an Award by reason of death, any Award held by such participant shall vest and become exercisable in full immediately for a period of 12 months from the date of death of the participant. To the extent that the Award remains unexercised at the end of such period, it shall lapse.

A participant is an automatic good leaver if they cease to be employed within the Group by reason of reason of injury, disability, redundancy, retirement or transfer of the participant’s business or employing subsidiary out of the Group, and may be treated as a good leaver if they cease to be employed within the Group for any other reason if so decided by the Remuneration Committee in its absolute discretion.

Takeover

In the event of a takeover, scheme of arrangement or a winding-up of the Company, then Awards will vest and become exercisable in full.

Satisfaction of Awards

Options may be satisfied by the issue of new Shares or the transfer of Shares held in treasury; alternatively, Options may be satisfied by the Company procuring the transfer of Shares already in issue. Phantom Awards will be satisfied in cash.

Variation of share capital

On certain variations of the ordinary share capital of the Company, the Remuneration Committee may adjust the exercise price and the number and description (but not the class) of Shares subject to existing Awards, with a view to preserving the value of such Awards. In the case of CSOP Options, such adjustments must provide that the total market value of the ordinary shares subject to a CSOP Option is substantially the same immediately after the adjustment as it was immediately before the variation and the total acquisition price payable on full exercise of the CSOP Option immediately after the adjustment is substantially the same as it was immediately before.

Amendments

The Remuneration Committee may make any amendment to the CSOP 2021 that it thinks fit (without obtaining shareholder approval).

Termination

The CSOP 2021 will terminate ten years after the date of adoption or earlier, if the Remuneration Committee so determines.

Other terms

Awards granted under the CSOP 2021 are non-transferable (except on death) and no amount is payable by a participant in respect of the grant of an Award. Benefits derived under the CSOP 2021 are not pensionable.

7.2 Performance Share Plan 2021 (“PSP 2021”)

Administration

The Remuneration Committee is responsible for administering the PSP 2021. The Committee has the power to make or vary regulations for the administration and operation of the PSP 2021 as long as these are consistent with the rules of the PSP 2021. The decision of the Committee as to any matter, question

or dispute arising from the PSP 2021 shall be final and conclusive and binding on the Company and participants.

Eligibility

Awards under the PSP 2021 (“**Awards**”) may only be granted to eligible employees of the Group selected at the discretion of the Remuneration Committee.

Awards granted to employees in the UK may, subject to statutory limits imposed by the legislation, be granted as tax-advantaged enterprise management incentives options (“**EMI Options**”), designed to comply with the requirements of Schedule 5 to ITEPA.

Period for grant of Awards

The Remuneration Committee may grant Awards at any time with the period of 42 days beginning on: (a) the date on which the PSP 2021 is adopted by the Company, or (b) the announcement of the Company's interim or final results for any financial year. In exceptional circumstances, the Remuneration Committee may grant Awards at other times. It is intended that initial awards under the PSP 2021 (“**Initial Awards**”) will be made on Admission over the relevant number of ordinary shares in the capital of the Company (“**Shares**”), with a market value as at the date of Admission of up to £2,525,584.

Structure of Awards

The Remuneration Committee will determine the structure of an Award at the time of grant. Awards may be structured as:

- “**Options**” i.e. rights to acquire Shares with an exercise price equal to nominal value of a Share, including an EMI Option;
- “**Contingent Awards**” i.e. contingent rights to acquire Shares automatically on vesting for nil or nominal consideration; or
- “**Phantom Awards**” i.e. rights to receive a cash payment in the future that is equivalent to the economic value that would have been delivered through an Option or a Contingent Award.

Options and Contingent Awards are together referred to as “**Share Awards**”. The Remuneration Committee proposes to grant Awards to the executive directors and certain other members of the wider management team who are considered critical to the Company's future.

Phantom Awards will only be granted to employees in jurisdictions where there are relatively few participants.

Plan limits

The number of Shares that may be issued or be capable of being issued pursuant to Awards granted after Admission (i.e. not including the Initial Awards to be granted on Admission referred to above) will not exceed 10 per cent. of the Company's issued ordinary share capital from time to time, when aggregated with the number of Shares issued or issuable pursuant to rights granted after Admission and in the preceding ten years under any other employees' share scheme adopted by the Company.

In addition, and in line with the statutory limits relating to EMI Options:

- the total fair market value of shares (assessed as at the relevant date of grant) subject to all outstanding EMI Options granted under the PSP 2021 cannot exceed £3,000,000 at any time; and
- the total fair market value of the unexercised EMI Options that an individual participant may hold at any one time (when added to the value of any qualifying unexercised CSOP options (granted pursuant to Schedule 4 to ITEPA by the Company or a company in the Group)) cannot exceed £250,000.

Each individual's participation will be limited such that, in any one financial year of the Company, the aggregate market value of Shares subject to the Awards granted to that individual will not exceed a maximum of 100 per cent. of the individual's base salary. The exception to this is that, in respect of the Initial Awards, the aggregate market value of Shares subject to Awards granted to each individual is subject to a limit of 300 per cent., of the individual's base salary (and it is anticipated that such awards will be three times the value which would subsequently be made on an annual basis).

Vesting and performance targets

Awards will be subject to both vesting conditions (as to continued service) and performance targets (relating to the financial performance of the Group). The Remuneration Committee will have discretion at the time of grant of an Award to determine the vesting conditions and the performance targets applying to an Award.

It is proposed that Awards will, generally, vest in full on the third anniversary of the date of grant (subject to the achievement of the specified performance targets).

It is proposed that the Initial Awards (granted to the employees) will vest over a period of three years, and subject to the following performance targets:

- 50 per cent. of the Shares subject to an Award will be subject to a total shareholder return target; and
- the remaining 50 per cent. of the Shares will be subject to an exit annual recurring revenue, total revenue and EBITDA growth target.

Exercise and lapse of Awards

An Award will normally become exercisable (or, in the case of Contingent Awards, capable of being released) at the end of the third anniversary of the date of grant subject to satisfaction of the performance targets.

An Award will lapse immediately on a participant ceasing to be employed (or on any earlier date on which notice to terminate the participant's employment is given) where such cessation is by reason of dismissal for gross misconduct or other disciplinary reasons (as determined by the Remuneration Committee, in its absolute discretion).

Where a participant ceases to be employed within the Group (other than by reason of death) and the Remuneration Committee determines such participant to be a good leaver, any Award held by such participant will not lapse, and may be retained to the extent vested subject to satisfaction of performance targets (to be tested as soon as reasonably practicable after the date of cessation of the participant unless the Remuneration Committee determines otherwise) and scaled back to reflect the proportion of the vesting period that has elapsed prior to the date of cessation, and shall, unless the Remuneration Committee determines otherwise, become exercisable immediately for a period of 90 days from the date of cessation of the participant. To the extent that the Award remains unexercised at the end of such period, it shall lapse.

Where a participant ceases to be employed within the Group by reason of death, any Award held by such participant will not lapse, and may be retained to the extent vested subject to satisfaction of performance targets (to be tested as soon as reasonably practicable after the date of death of the Award holder) and scaled back to reflect the proportion of the vesting period that has elapsed prior to the date of cessation, and shall become exercisable immediately for a period of 12 months from the date of death of the participant. To the extent that the Award remains unexercised at the end of such period, it shall lapse.

A participant is a good leaver if they cease to be employed within the Group by reason of injury, disability, ill-health (in each case, such determination to be made by the Remuneration Committee), redundancy or transfer of participant's business or employing subsidiary out of the Group, or for any other reason if so decided by the Remuneration Committee in its absolute discretion.

Takeover

In the event of a takeover, scheme of arrangement or a winding-up of the Company, then unless the Remuneration Committee determines otherwise, Awards will vest and become exercisable (or released, as the case may be) to the extent to which performance targets have been met (as assessed on a modified basis by reference to the performance of the Group between the date of grant and the date of the takeover or other event as determined by the Remuneration Committee), and scaled back to reflect the proportion of the vesting period that has elapsed prior to the date of the takeover, scheme of arrangement or winding-up.

Satisfaction of Awards

Share Awards may be satisfied by the issue of new Shares or the transfer of Shares held in treasury; alternatively, Share Awards may be satisfied by the Company procuring the transfer of Shares already in issue. Phantom Awards will be satisfied in cash.

Clawback and malus

'Clawback' provisions may apply where it is discovered, within three years of the vesting of an Award, that there has been a material misstatement in the financial results of the Company and/or a miscalculation of any performance target and such misstatement or miscalculation has resulted in an Award vesting to a greater extent than it should otherwise have done. The provisions may also apply where there has been an act of gross misconduct on the part of the participant that takes place prior to the exercise of an Option (or in the case of a Contingent Award, prior to the release of the Contingent Award) but which only comes to light after the Option has been exercised (or in the case of a Contingent Award, after the Contingent Award

has been released). In those circumstances, the Remuneration Committee has the right to recover from the relevant participant all or such part of the value of the Award that has been received by the participant as the Remuneration Committee considers fair and reasonable. There will also be provisions (known as 'malus' provisions) allowing the Remuneration Committee to adjust downwards the extent of vesting of any Award if such circumstances as outlined above occur prior to the vesting of the Award.

Variation of share capital

On certain variations of the share capital of the Company, the Remuneration Committee may adjust the exercise price and the number and description of shares subject to existing Awards, with a view to preserving the value of such Awards. In the case of EMI Options, such adjustments must provide that the total market value of the ordinary shares subject to an EMI Option is substantially the same immediately after the adjustment as it was immediately before the variation and the total acquisition price payable on full exercise of the EMI Option immediately after the adjustment is substantially the same as it was immediately before.

Amendments

The Remuneration Committee may make any amendment to the PSP 2021 that it thinks fit (without obtaining shareholder approval).

Termination

The PSP 2021 will terminate ten years after the date of adoption of its or earlier if the Remuneration Committee so determines.

Other terms

Awards are non-transferable (except on death) and no amount is payable by a participant in respect of the grant of an Award. Benefits derived under the PSP 2021 are not pensionable.

7.3 Share Incentive Plan ("SIP 2021")

Administration

The Remuneration Committee will be responsible for administering the SIP 2021. The Remuneration Committee will have the power to make or vary regulations for the administration and operation of the SIP 2021, provided that these are consistent with the rules of the SIP 2021 (and the relating trust deed). The decision of the Remuneration Committee as to any matter, question or dispute arising from the SIP 2021 shall be final and conclusive and binding on the Company and participants.

Eligibility

Employees and full-time directors of the Group will be entitled to participate in the SIP 2021 if they are resident in the UK and have completed a minimum period of three months' continuous service with the Group at the time of the relevant Award (or such other minimum period as may be determined by the Remuneration Committee (not exceeding the period specified in Schedule 2 to ITEPA)).

Period for grant of Awards

Awards under the SIP 2021 may normally be capable of being made to eligible employees at any time within the period of 42 days beginning on: (a) the date on which the SIP 2021 is adopted by the Company, (b) the announcement of the Company's interim or final results for any financial year, or (c) any day on which any change to the legislation affecting share incentive plans is announced or made.

Structure of Awards

The Remuneration Committee will determine the structure of an Award at the time of grant. Awards will be structured as:

- **"Partnership Share" Award** i.e. a purchase of 'partnership shares' by the participants; and/or
- **"Matching Share" Award** i.e. an award of 'matching shares' for nil consideration to the participants who have invested in partnership shares.

Partnership Share Awards

The Company will be able to invite employees to purchase partnership shares using deductions made from pre-tax salary up to a maximum value set from time to time by HMRC (currently £1,800 per tax year or 10 per cent. of salary, if lower). The Remuneration Committee will be able to set a minimum monthly deduction which may not be greater than £10 (or such other amount set out in Schedule 2 to ITEPA from time to time). Partnership Shares will be purchased out of deductions as soon as reasonably practicable

after such deductions are made (being not more than 30 days from the date of deduction).

Matching Share Awards

The Remuneration Committee will be able to award up to a maximum of one free Matching Share for each Partnership Share acquired by a participant; the ratio applying to each tranche of Partnership Share Awards will be determined by the Remuneration Committee at the time of grant.

SIP trust

The SIP 2021 will operate in conjunction with a UK resident trust ("**SIP Trust**") which is established for the purposes of the SIP 2021, which will acquire and hold the relevant Shares on behalf of the participants.

Plan limits

The number of Shares that may be issued pursuant to Awards granted under the SIP will not exceed 10 per cent. of the Company's issued ordinary share capital from time to time, when aggregated with the number of Shares issued or issuable pursuant to rights granted after Admission and in the preceding ten years under any other employees' share scheme adopted by the Company.

Holding period and forfeiture

Matching Shares will ordinarily need to be held in the SIP Trust for a period specified by the Remuneration Committee, but this period may not be less than three years nor more than five years from the date on which such Shares are acquired by the Participants. No holding period will be applied to Partnership Shares, which will be capable of being withdrawn from the SIP Trust at any time.

Where a participant ceases to be employed within the Group during the applicable holding period by reason of injury, disability, redundancy, retirement or transfer of the participant's business or employing subsidiary out of the Group, or for any other reason determined by the Remuneration Committee to be a good leaver reason, the Matching Shares held in the SIP Trust for such participant shall not be liable to forfeiture. Where a participant ceases to be employed within the Group during the applicable holding period for any reason other than those specified above, the Matching Shares held in the SIP Trust for such participant shall be forfeited. Where a participant removes Partnership Shares from the SIP Trust at any time during the holding period applicable to the corresponding Matching Shares, such Matching Shares shall be forfeited. Partnership Shares will not be liable to forfeiture in any circumstances, and will be capable of being withdrawn from the SIP Trust at any time (but there may be negative tax consequences of so doing).

Takeover

In the event of a takeover, scheme of arrangement or a winding-up of the Company during a holding period applicable to Matching Shares, participants will be able to direct the trustee of the SIP Trust as to how to act in relation to such Shares held in the SIP Trust in respect of that transaction. In the event of a corporate re-organisation, any Shares held by the SIP Trust on behalf of participants may be replaced by equivalent shares in a new holding company.

Variation of share capital

On a variation of the Company's share capital, Shares held in the SIP Trust will be treated in the same way as other Shares. In the event of a rights issue, participants can direct the trustee of the SIP Trust on how to act in relation to the Shares held on their behalf in the SIP Trust.

Amendments

The Remuneration Committee may make any amendment to the SIP 2021 that it thinks fit (without obtaining shareholder approval).

Termination

The SIP 2021 will terminate ten years after the date of adoption of its or earlier if the Remuneration Committee so determines.

Other terms

Awards are non-transferable (except on death) and no amount is payable by a participant in respect of the grant of an Award (save for any amount deducted for the purpose of acquiring Partnership Shares).

Benefits derived under the SIP 2021 are not pensionable.

7.4 **Buy as You Earn Plan ("BAYE 2021")**

Administration

The Remuneration Committee will be responsible for administering the BAYE 2021. The Remuneration Committee will have the power to make or vary regulations for the administration and operation of the BAYE 2021, provided that these are consistent with the rules of the BAYE 2021. The decision of the Remuneration Committee as to any matter, question or dispute arising from the BAYE 2021 shall be final and conclusive and binding on the Company and participants.

Eligibility

Employees and full-time directors of the Group will be entitled to participate in the BAYE 2021 provide they have completed a minimum period of three months' continuous service with the Group at the time of the relevant Award (or such other minimum period as may be determined by the Remuneration Committee).

Period for grant of Awards

Awards under the BAYE 2021 may normally be capable of being made to eligible employees at any time within (a) the period of 42 days beginning on the date on which the BAYE 2021 is adopted by the Company, (b) the period of 42 days beginning on the announcement of the Company's interim or final results for any financial year, or (c) any day on which any Award under the SIP 2021 is made.

Structure of Awards

The Committee will determine the structure of an Award at the time of grant. Awards will be structured as:

- **"Partnership Share" Award** i.e. a purchase of 'partnership shares' by the participants; and
- **"Matching Share" Option** i.e. a right to acquire 'matching shares' with an exercise price equal to nominal value of a Share (or possibly at nil cost, if the Company has established suitable employee share trust arrangements by the time the Award is made).

Partnership Share Awards

The Company will be able to invite employees to purchase Partnership Shares at the prevailing market value of the Company's shares using monthly deductions made from after-tax salary up to a maximum value of £6,000 per tax year (such limit being reduced, in the case of any UK participant to whom partnership shares have been allocated under the SIP 2021, by the aggregate of the amount of the deductions which such participant has requested to be made in that tax year to acquire such partnership shares under the SIP 2021). The Remuneration Committee may set a minimum monthly deduction. Partnership Shares will be purchased out of such deductions as soon as reasonably practicable after such deductions are made (being not more than 30 days from the date of deduction).

Matching Share Options

The Remuneration Committee will grant a Matching Share Option over up to a maximum of one free Matching Share for each Partnership Share acquired by a participant; the ratio applying to each tranche of Partnership Share Awards will be determined by the Remuneration Committee at the time of grant.

Nominee arrangements

The BAYE 2021 will operate through nominee arrangements which are established for the purposes of the BAYE 2021. The nominee will acquire and hold the legal interest in the Partnership Shares acquired on behalf of the participants pursuant to the Partnership Share Awards.

Plan limits

The number of Shares that may be issued pursuant to Awards granted pursuant to the BAYE 2021 will not exceed 10 per cent. of the Company's issued ordinary share capital from time to time, when aggregated with the number of Shares issued or issuable pursuant to rights granted after Admission and in the preceding ten years under any other employees' share scheme adopted by the Company.

Vesting, Exercise and Lapse

Matching Share Options will vest and become exercisable at the end of the third anniversary of the date on which the relevant Partnership Shares are acquired by the participants pursuant to the nominee arrangements referred to above.

Where a participant ceases to be employed within the Group during the applicable vesting period by reason of injury, disability, redundancy, retirement or transfer of the participant's business or employing subsidiary out of the Group, or for any other reason determined by the Remuneration Committee to be

a good leaver reason, any Matching Share Options held by such participant shall be retained by the participant and shall continue to vest and become exercisable at the end of the relevant vesting period. Where a participant ceases to be employed within the Group during the applicable vesting period for any other reason, any Matching Share Options held by such participant shall lapse on the date of such cessation (or on any earlier date on which notice to terminate the participant's employment is given).

Where a participant removes the Partnership Shares from the nominee arrangements at any time during the vesting period applicable to the corresponding Matching Share Option, such Matching Share Option shall immediately lapse unless determined otherwise by the Remuneration Committee. Partnership Shares will not be liable to forfeiture in any circumstances and will be capable of being withdrawn from the nominee arrangements at any time.

Takeover

Matching Share Option

In the event of a takeover, scheme of arrangement or a winding-up of the Company then, unless the Remuneration Committee determines otherwise, the Matching Share Options will vest and become exercisable in full.

Partnership Shares

In the event of a takeover, scheme of arrangement or a winding-up of the Company during a vesting period applicable to the Matching Share Options, participants will be able to direct the nominee as to how to act in relation to Partnership Shares held by the nominee in respect of that transaction. In the event of a corporate re-organisation, any Partnership Shares held by the nominee on behalf of participants may be replaced by equivalent shares in a new holding company.

Variation of share capital

On a variation of the Company's share capital:

- Partnership Shares held by the nominee will be treated in the same way as other Shares. In the event of a rights issue, participants can direct the trustee of the nominee on how to act on their behalf;
- the Committee may adjust the exercise price (if any) and the number and description of shares subject to existing Matching Share Options, with a view to preserving the value of such options.

Amendments

The Remuneration Committee may make any amendment to the BAYE 2021 that it thinks fit (without obtaining shareholder approval).

Termination

The BAYE 2021 will terminate ten years after the date of adoption of its or earlier if the Remuneration Committee so determines.

Other terms

Awards are non-transferable (except on death) and no amount is payable by a participant in respect of the grant of an Award (save for any amount deducted for the purpose of acquiring Partnership Shares).

Benefits derived under the BAYE 2021 are not pensionable.

8 Material contracts

Other than as set out below, there are no contracts, not being contracts entered into in the ordinary course of business, which have been entered into by the Company and/or any member of the Group in the two years immediately prior to the date of this document or which are, or may be, material or which, having been entered into by any member of the Group at any time before the date of this document, contain provisions under which any member of the Group has any obligation or entitlement which is or may be material to the Group as at the date of this document.

8.1 Placing Agreement

A placing agreement dated 25 March 2021 between (1) the Company, (2) the Directors, (3) the Major Selling Shareholders, (4) the Selling Agent and (5) Investec, pursuant to which Investec has conditionally agreed to use its reasonable endeavours to arrange for placees to purchase 45,048,390 Sale Shares at the Placing Price.

The agreement is conditional, among other things, on Admission taking place no later than 29 March 2021,

and the Company, the Directors and the Selling Shareholders complying with certain obligations under the Placing Agreement.

The agreement contains certain warranties given by the Company, the Directors, the Major Selling Shareholders and the Selling Agent, in favour of Investec as to, amongst other things, the business and operations of the Group, and the accuracy of information contained in this document. The agreement also contains an indemnity from the Company in favour of Investec in a form customary for an agreement of this nature.

Each of the Major Selling Shareholders and the Selling Agent have agreed to pay Investec a commission fee and Investec shall also be entitled to a discretionary commission at Admission, payable by the Selling Shareholders, at the discretion of the Company. The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the Registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

Investec may terminate the Placing Agreement in specified circumstances prior to Admission, including, among other things, a breach of warranty by the Company, the Major Selling Shareholders, the Directors or the Selling Agent, any statement in this document has become untrue, inaccurate or misleading, or a force majeure event has occurred.

8.2 Lock-up and Orderly Market Arrangements

Pursuant to the terms of the Placing Agreement, each of Sean Finnan, Richard Jeffery and Patrick Deller who each hold Ordinary Shares has agreed with Investec not to dispose of any interest he holds in Ordinary Shares for a period of 12 months from Admission, except in certain limited circumstances. Each of Sean Finnan, Richard Jeffery and Patrick Deller has also agreed (subject to certain exceptions) that, for a further period of 12 months thereafter, he will only dispose of his Ordinary Shares through Investec in order to maintain an orderly market, unless (in each case) otherwise agreed in writing with Investec.

Pursuant to the terms of the Placing Agreement, each member of the Group's senior management team listed in paragraph 12.2 of Part I of this document, has agreed with Investec (subject to certain exceptions) that, for a period of 12 months from Admission, he will only dispose of his Ordinary Shares through Investec in order to maintain an orderly market, unless (in each case) otherwise agreed in writing with Investec.

Pursuant to the terms of the Placing Agreement, each of the Major Selling Shareholders (excluding any Director) has agreed with Investec not to dispose of any interest it holds in Ordinary Shares for a period of six months from Admission, except in certain limited circumstances. Each of them has also agreed (subject to certain exceptions) that, for a further period of six months thereafter, it will only dispose of its Ordinary Shares through Investec in order to maintain an orderly market, unless (in each case) otherwise agreed in writing with Investec.

8.3 Registrar's agreement

Pursuant to a registrar's agreement dated 25 March 2021 between the Company and the Registrar, the Company appointed the Registrar to act as its share registrar. Under this agreement the Company has agreed to pay a series of fixed and variable fees for which the Registrar will perform the services of the Company's share registrar in relation to the trading of the Ordinary Shares on AIM. The Registrar may also be entitled to fees for additional services requested by the Company.

The registrar's agreement shall continue (unless terminated in accordance with the early termination provisions) for an initial term of three years renewing automatically thereafter unless terminated by either the Company or the Registrar on not less than three months' written notice or otherwise terminated in accordance with the terms of the registrar agreement. The registrar's agreement contains certain representations, warranties and indemnities given by the Company to the Registrar.

8.4 Nominated adviser and broker agreement

Pursuant to an agreement dated 25 March 2021 between Investec and the Company, the Company has appointed Investec to act as the Company's nominated adviser and broker for the purposes of Admission and following Admission. The agreement contains customary representations, warranties and indemnities in favour of Investec. The Company has agreed to pay Investec an annual fee for its services as nominated adviser and broker payable half-yearly in advance. In addition, Investec may summarily terminate the agreement in certain specified circumstances.

8.5 **Acquisition of OpenConnect**

Pursuant to an agreement dated 19 July 2019 between Workware Inc., the Sellers (as such term is defined in the agreement) and Open Connect Systems Incorporated, the entire issued share capital of OpenConnect was acquired by Workware Inc., a former wholly-owned subsidiary of the Company (which merged into OpenConnect following the acquisition), for an aggregate purchase price of \$7,000,000 subject to certain deductions and adjustments. Customary warranties and indemnities are given under the agreement.

8.6 **Disposal of OpenConnect**

Pursuant to an agreement dated 11 September 2020 between the Company, OpenConnect and Rocket Software, Inc., the entire issued share capital of OpenConnect was sold by the Company on 20 October 2020 for an aggregate purchase price of \$19 million, subject to adjustment, and \$1.9 million of the purchase price is to be held in escrow for a period of twelve months. The agreement contains fulsome representations and warranties regarding the OpenConnect business and broad indemnification provisions. Under the agreement, the Company, on behalf of itself and its affiliates, including ActiveOps USA Inc., agreed not to compete with the OpenConnect business for a period of four years. Additionally, a transition services agreement is in place that will require post-completion support services from each of ActiveOps USA Inc. and OpenConnect for a period of twelve months.

Prior to the disposal, the Company restructured portions of the OpenConnect business to facilitate the transfer of the desktop analytics business from OpenConnect to ActiveOps USA Inc.. As part of the business restructuring: (i) customer contracts and liabilities were assigned from OpenConnect to ActiveOps USA Inc.; (ii) supplier contracts and liabilities were assigned from OpenConnect to ActiveOps USA Inc.; (iii) employees and related employment liabilities were transferred from OpenConnect to ActiveOps USA Inc.; (iv) benefit plans and related liabilities were transferred from OpenConnect to ActiveOps USA Inc.; (v) intellectual property rights and liabilities were transferred from OpenConnect to the Company; and (vi) physical assets were transferred from OpenConnect to ActiveOps USA Inc..

In connection with the disposal, the Company entered into an intellectual property licence agreement with OpenConnect for portions of the intellectual property that were utilised by OpenConnect in both the mainframe software business (which was retained by OpenConnect) and the desktop analytics business (which was transferred to ActiveOps USA Inc. as part of the business restructuring). The licence has field of use limitations and is worldwide, perpetual, fully paid up, non-transferable, non-sublicensable (subject to exceptions) and non-exclusive. The license is subject to termination in the event of its breach.

9 **Taxation**

9.1 **UK taxation**

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and, in the case of individual Shareholders, domiciled) for UK tax purposes in (and only in) the UK, who hold their Ordinary Shares as an investment (other than under tax exempt arrangements such as individual savings accounts), and who are the absolute beneficial owners of both their Ordinary Shares and any dividends paid on them.

The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the Group, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent. or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme.

Any person who is in any doubt about his or her position should contact their professional adviser 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.

9.2 **Taxation of Dividends**

Withholding tax on dividends

Under current UK tax legislation, no tax is required to be withheld from dividend payments made by the Company.

UK tax resident individual Shareholders

UK resident individual Shareholders have the benefit of an annual dividend allowance of £2,000. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent., but such dividends will still count as taxable income when determining how much of the basic rate band or higher rate band has been used.

Dividend income in excess of the annual dividend allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for the fiscal period ended 5 April 2021: 7.5 per cent. to the extent it falls below the threshold for higher rate income tax; 32.5 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 38.1 per cent. to the extent that it falls above the threshold for the additional rate band.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate amount) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK discretionary trusts

The annual dividend allowance is not available to UK resident trustees of a discretionary trust. UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 38.1 per cent., which mirrors the dividend additional rate.

UK tax resident corporate Shareholders

A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti-avoidance rules and provided all conditions are met). It is anticipated that dividends should fall within one of such exempt classes but Shareholders should seek independent advice to confirm their position (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, then the corporate Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent.

9.3 **Taxation of chargeable gains**

For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing is regarded as an acquisition of a new holding in the Company's share capital. To the extent that a Shareholder acquires Ordinary Shares allotted to them, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Ordinary Shares will generally constitute the tax base cost of a Shareholder's holding.

A disposal of all or any of the Ordinary Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on the relevant Shareholder's circumstances, give rise to a liability to UK taxation on chargeable gains.

UK tax resident individual Shareholders

Where a UK tax resident individual Shareholder disposes of Ordinary Shares at a gain, Capital Gains Tax ("CGT") will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.

For such individuals, CGT will be charged at 10 per cent. where the individual's taxable income and gains are within the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the income tax basic rate band, CGT will be charged at 20 per cent.

For trustees and personal representatives of deceased persons, CGT on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

UK resident corporate Shareholders

Where a Shareholder is within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.

The corporation tax rate applicable to a UK resident corporate Shareholder on such taxable gains is currently 19 per cent.

Transactions in Securities

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

9.4 Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a Recognised Stock Exchange.

The Company anticipates that this exemption will apply to dealings in the Ordinary Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Ordinary Shares.

Absent an exemption from stamp duty and SDRT, any dealings in Sale Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty or SDRT could be payable at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser, subject to de minimis limit and relevant anti-avoidance provisions.

The above comments are intended as a guide to the general stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

10 Takeover Code, mandatory bids, squeeze-out and sell-out rules

10.1 Mandatory bids

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of interests in shares were to cause the acquirer and/or persons acting in concert with it to be interested in shares carrying, in aggregate 30 per cent. or more of the voting rights in the Company, the acquirer and/or (depending on the circumstances) persons acting in concert with it would be required (except with the consent of the Takeover Panel) to make a cash offer for all of the equity share capital of the Company not already owned by the acquirer and persons acting in concert with it at a price not less than the highest price paid for an interest in a share by the acquirer or persons acting in concert with it during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of interests in shares by a person who alone or together with persons acting in concert with is interested

in shares carrying at least 30 per cent. but not more than 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and the persons acting in concert with it.

The Takeover Code defines persons "acting in concert" to comprise "persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate an offer for a company". The Takeover Code defines "control" to mean "an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interest give de facto control."

10.2 **Squeeze-out rules**

Under the Companies Act, if a person who has made a general offer to acquire Ordinary Shares (the "offeror") were to acquire, or contract to acquire, 90 per cent. of the Ordinary Shares which are the subject of such offer within four months of making its offer, the offeror could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding Shareholders telling them that the offeror will compulsorily acquire their Ordinary Shares and then, six weeks later, executing a transfer of the outstanding Ordinary Shares in the offeror's favour and paying the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to those Shareholders whose Ordinary Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the general offer.

10.3 **Sell-out rules**

The Companies Act gives minority Shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in the above paragraph. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder's Ordinary Shares.

The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his 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.

11 **Working capital**

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and its Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

12 **Premises**

The following premises are owned or occupied by the Group:

Name of Company	Address
Company	Sixth Floor, One Valpy, 20 Valpy Street, Reading (United Kingdom)
Active Operations Management Australia Pty Limited	First Floor, 231 Kensington SA 5068 (Australia)
Active Operations Management Australia Pty Limited	350 Collins Street, Melbourne, Victoria 3000 (Australia)
ActiveOps Africa (Pty) Limited	3rd Floor, 8A Keyes Avenue, Rosebank (South Africa)
Red Owl Technology Limited	Roselawn House, National Technology Park, Limerick (Ireland)
ActiveOps USA Inc.	WeWork 315 W 36th St (United States)
ActiveOps USA Inc.	2711 Lyndon B. Johnson Freeway, Suite 700, Dallas, TX 75234

13 Employees

As at the date of this document, the Group has 73 employees in the UK and a total of 163 employees worldwide, details of which are set out in paragraph 13 of Part I of this document.

14 Litigation

No member of the Group is, nor has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability.

15 Auditors and nature of financial information

The financial information in this document relating to the Group and in particular the consolidated historical financial information and the unaudited consolidated interim financial information contained in Part III of this document, does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. RSM UK Audit LLP, of One London Square, Guildford, Surrey GU1 1UN has audited the statutory accounts of the Group for the financial year ended 31 March 2020, 2019 and 2018. The accounting reference date is 31 March.

16 The Selling Shareholders

The names of the Selling Shareholders, the number of Ordinary Shares immediately prior to Admission, the number of Sale Shares being sold as part of the Placing and the number of Ordinary Shares immediately following Admission and completion of the Placing are set out below.

Selling Shareholder	No. of Ordinary Shares immediately prior to Admission ⁽¹⁾	No. of Sale Shares being sold as part of the Placing	No. of Ordinary Shares immediately following Admission
Calculus ⁽²⁾	17,294,490	12,970,868	4,323,622
Richard Jeffery ⁽³⁾	13,101,000	3,275,250	9,825,750
Neil Bentley ⁽³⁾	12,651,000	7,590,600	5,060,400
Paul Moroney ⁽⁴⁾	4,076,820	3,826,110	250,710
Sean Finnan ⁽³⁾	734,310	697,506	36,804
Patrick Deller ⁽³⁾	600,000	210,000	390,000
Senior managers ⁽³⁾	6,462,780	2,697,580	3,765,200
Other employees ⁽⁵⁾	4,347,930	3,090,407	1,257,523
Former employees and others	12,052,350	10,690,069	1,362,281

(1) The number of Ordinary Shares held as shown in this table takes into account the effect of the Corporate Reorganisation (including any options exercised at 7 a.m. on the date of Admission) and excludes shares held under option.

(2) The business address of Calculus is 104 Park Street, London W1K 6NF.

(3) The business address of each person is One Valpy, 20 Valpy Street, Reading RG1 1AR.

(4) Includes shares held by (i) Paul Moroney as trustee of the Moroney Family Trust and (ii) Moroney Capital Pty Ltd as trustee of the Moroney Super Fund, the beneficiaries of each being the Moroney family. The business address for each is c/o McCourts Pty Ltd, PO Box 7340 Hutt Street, Adelaide, South Australia, 5000.

(5) Current employees of the Group who are not Directors or members of the senior management team.

17 OTHER INFORMATION

17.1 The total proceeds expected to be raised by the Placing amount to approximately £75.7 million,

- and the net proceeds of the Placing receivable by the Selling Shareholders (following the deduction of commissions) are estimated to amount to £73.4 million.
- 17.2 The overall costs and expenses payable by the Company in connection with Admission and the Placing (including professional fees, the costs of printing and the fees payable to the Registrars) are estimated to amount to approximately £1.6 million (excluding VAT).
- 17.3 Save as disclosed in paragraph 17.4 of this Part IV, (excluding professional advisers named in this document and save in relation to arrangements with trade suppliers) no person has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission, or entered into contractual arrangements to receive, directly or indirectly, on or after Admission:
- (i) fees totalling £10,000 or more;
 - (ii) securities of the Company having a value of £10,000 or more calculated by reference to the expected opening price; or
 - (iii) any other benefit with a value of £10,000 or more at the date of Admission.
- 17.4 Each of H2 Glenfern Limited and One Advisory Limited are entitled to fees in excess of £10,000 in connection with Admission. H2 Glenfern was engaged by the Company to provide remuneration advice services in relation to Admission. One Advisory was engaged to provide advisory services in relation to financial reporting procedures in relation to Admission.
- 17.5 Save as disclosed in this document, the Company does not hold any treasury shares (i.e. shares in the Company held by the Company) and no Ordinary Shares were held by, or on behalf of, any member of the Group.
- 17.6 Save as disclosed in paragraph 14 of Part I of this document, the Company is not dependent on any patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 17.7 Where information in this document has been sourced from a third party, the Company confirms that it has been accurately reproduced and, as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 17.8 Save as disclosed in this document, there are no environmental issues that the Directors have determined may affect the Company's utilisation of tangible fixed assets and the Directors have not identified any events that have occurred since the end of the last financial year and which are considered to be likely to have a material effect on the Company's prospects for the current financial year.
- 17.9 The Sale Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement. The Placing is not being guaranteed or underwritten by any person.
- 17.10 The Placing Price of 168 pence represents a premium of approximately 167.9 pence to the 0.1 pence nominal value of an Ordinary Share.
- 17.11 Except as stated in this document, there have been no material investments made by the Company during the last three financial years and there are no material future investments on which firm commitments have been made.

18 Significant Change

Save as disclosed in this document, there has been no significant change in the financial position or financial performance of the Group since 30 September 2020, being the date to which the unaudited consolidated interim financial information set out in Section D of Part III of this document has been prepared.

19 Consents

- 19.1 Investec Bank plc is acting in the capacity as nominated adviser, financial adviser, sole broker and sole bookrunner to the Company. Investec has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 19.2 RSM Corporate Finance LLP, whose registered office is at 6th Floor 25 Farringdon Street,

London, EC4A 4AB, has given and has not withdrawn its consent to the inclusion in this document of its reports set out in Section A and Section C of Part III of this document in the form and context in which they are included and has authorised the contents of those reports for the purposes of Schedule Two of the AIM Rules for Companies. RSM Corporate Finance LLP is a member of the Institute of Chartered Accountants in England and Wales.

20 Availability of this document

20.1 A copy of this document is available at the Company's website www.activeops.com.

Dated 25 March 2021

PART V - PLACING TERMS AND CONDITIONS

The information and terms contained this Part V is restricted and are not for release, publication or distribution, in whole or in part, directly or indirectly, in or into or from the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction in which such release, publication or distribution would be unlawful.

Each Placee should consult with its own advisers as to legal, tax, business and related aspects in relation to any acquisition of Sale Shares.

The terms and conditions set out in this Part V (the “**Terms and Conditions**”) do not constitute an offer or invitation to acquire, underwrite or dispose of, or any solicitation of any offer or invitation to acquire, underwrite or dispose of, any Ordinary Shares or other securities of the Company to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation in such jurisdiction. Persons who seek to participate in the Placing must inform themselves about and observe any such restrictions and must be persons who are able to lawfully receive this document in their jurisdiction. In particular, neither this document nor these Terms and Conditions constitutes an offer or invitation (or a solicitation of any offer or invitation) to acquire, underwrite or dispose of or otherwise deal in any Ordinary Shares or other securities of the Company in the United States, Australia, Canada, the Republic of South Africa, Japan or in any other jurisdiction in which any such offer, invitation or solicitation is or would be unlawful.

Members of the public are not eligible to take part in the Placing. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the Ordinary Shares. This document (including these Terms and Conditions) does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Investec (as defined herein).

The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of the United States, Australia, Canada, the Republic of South Africa, or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within the United States, Australia, Canada, the Republic of South Africa, or Japan or to any national, resident or citizen of the United States, Australia, Canada, the Republic of South Africa, or Japan.

This document is not an offer of securities for sale into the United States. The Sale Shares have not been and will not be registered under the Securities Act) or with any securities regulatory authority of any state or jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Sale Shares are being offered and sold only outside the United States in “offshore transactions” within the meaning of, and in accordance with, Regulation S under the Securities Act and otherwise in accordance with applicable laws. No public offering of the Sale Shares is being made in the United States, the United Kingdom or elsewhere.

In the United Kingdom, this document (including these Terms and Conditions) is being distributed to, and is directed only at “qualified investors” (as defined in the UK Prospectus Regulation) who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), and/or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it is otherwise lawful to distribute this document (all such persons together being referred to as “**Relevant Persons**”). It is not directed at and may not be acted or relied on by anyone other than a Relevant Person. Persons who do not fall within the definition of “Relevant Persons” above should not rely on this document, nor take any action upon it. By receiving this document each Placee is deemed to warrant to the Company and Investec that it is a Relevant Person and agrees to and will comply with the contents of these Terms and Conditions.

In relation to each member state of the European Economic Area (each, a “**Relevant Member State**”), no Sale Shares have been offered, or will be offered, pursuant to the Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Sale Shares which has been

approved by the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that offers of Sale Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

A. to any legal entity which is a “qualified investor” (as defined in the Prospectus Regulation);
B. to fewer than 150, natural or legal persons (other than “qualified investors”) in such Relevant Member State; or

C. in any other circumstances falling within Article 4(2) of the Prospectus Regulation,

provided that no such offer of Sale Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant Member State and each person who initially acquires any Sale Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation. For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Shares in any Relevant Member State” means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Sale Shares to be offered so as to enable an investor to decide to purchase the Sale Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State.

Introduction

These Terms and Conditions apply to persons who are invited to and who choose to purchase Sale Shares in the Placing (each a “**Placee**”). Each Placee hereby agrees with Investec to be legally and irrevocably bound by these Terms and Conditions which will be the Terms and Conditions on which the Sale Shares will be acquired in the Placing.

Acceptance of any offer incorporating the Terms and Conditions (whether orally or in writing or evidenced by way of a contract note) will constitute a binding irrevocable commitment by a Placee, subject to the Terms and Conditions set out below, to acquire and pay for the relevant number of Sale Shares (the “**Placing Participation**”). Such commitment is not capable of termination or rescission by the Placees in any circumstances except fraud. All such obligations are entered into by the Placees with Investec in its capacity as agent for the Selling Shareholders and are therefore directly enforceable by the Selling Shareholders. For the purposes of these Terms and Conditions, the term “**Investec**”, shall mean, where the context so applies, Investec Bank plc or Investec Europe Limited (trading as Investec Europe) (“**Investec Europe**”), who is acting as agent on behalf of Investec Bank plc in certain jurisdictions in the EEA.

No prospectus

The Sale Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing or the Sale Shares and Placees' commitments will be made solely on the basis of their own assessment of the Company, the Sale Shares and the Placing based on the information contained in this Admission Document (including these Terms and Conditions) and subject to any further terms set forth in any trade confirmation sent to individual Placees.

Application for Admission

Application will be made to the London Stock Exchange for admission of the Ordinary Shares (including the Sale Shares) to trading on AIM. It is expected that Admission will become effective at 8.00 a.m. on or around 29 March 2021 and that dealings in the Ordinary Shares on AIM will commence at the time of Admission. The Sale Shares will not be admitted to trading on any stock exchange other than AIM.

Conditions

The Placing Participation is in all respects conditional upon:

- (i) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- (ii) Admission having become effective,

in each case by 29 March 2021 (or such later time and/or date as Investec may agree, but in any event not later than 16 April 2021).

Pursuant to the Placing Agreement, Investec has agreed, on behalf of and as agent for the Selling Shareholders, to use its reasonable endeavours to procure purchasers for the Sale Shares at the Placing Price, subject to these Terms and Conditions. The Placing is not being underwritten.

The Placing Agreement contains certain warranties and undertakings from the Company, the Directors, the Major Selling Shareholders and the Selling Agent and certain indemnities from the Company, in each case, for the benefit of Investec. Investec may, in its absolute discretion, terminate the Placing Agreement if prior to Admission, *inter alia*, there is a breach of warranty by the Company, the Major Selling Shareholders, the Directors or the Selling Agent, any statement in this document has become untrue, inaccurate or misleading, or a force majeure event has occurred. The rights and obligations of the Placees shall terminate only in the circumstances described in these Terms and Conditions and in the Placing Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by Investec of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Investec, and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise, or decision not to exercise. Placees will have no rights against Investec, the Company, the Selling Shareholders nor any of their respective affiliates, directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

If (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will not proceed and all funds delivered by the Placees to Investec will be returned to the Placees at each Placee's risk without interest, and the Placees' rights and obligations hereunder shall cease and determine at such time and no claim shall be made by any Placee in respect thereof.

None of the Company, the Directors, the Selling Shareholders or Investec owes any fiduciary duty to any Placee in respect of the representations, warranties, undertakings or indemnities in the Placing Agreement.

Principal terms of the Placing

Each Placee's allocation of Sale Shares will be communicated orally by Investec to the relevant Placee. That oral confirmation will give rise to an irrevocable, legally binding commitment by such Placee, in favour of Investec and the Selling Shareholders, under which it agrees to acquire the number of Sale Shares allocated to it at the Placing Price and otherwise on the terms and subject to the conditions set out in this Part V and in accordance with the Articles. Except with Investec's written consent, such commitment will not be capable of variation, revocation, termination or rescission at either the time of such oral confirmation or any time thereafter.

Settlement

Settlement of the Sale Shares will take place in CREST. Sale Shares will be delivered direct into the Placee's CREST account, provided payment has been made in terms satisfactory to Investec and the details provided by such Placee have provided sufficient information to allow the CREST system to match to the CREST account specified.

Subject to the conditions set out above, payment in respect of the Placing Participation is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Investec	331
Expected trade date	25 March 2021
Settlement date	29 March 2021
ISIN code for the Sale Shares	GB00BLH37Y17
Deadline for instructions input into CREST	5 p.m. (UK time) on 26 March 2021

In accordance with the contract note, settlement will be on a delivery versus payment basis.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by Investec in accordance with either the standing CREST or certificated settlement instructions which they have in place with Investec.

In the event of any difficulties or delays in the admission of the Sale Shares to CREST or the use of CREST in relation to the Placing, the Company and Investec may agree that the Sale Shares should be transferred

in certificated form.

Investec reserves the right to require settlement for the Sale Shares, and to deliver the Placing Participation to Placees, by such other means as it deems necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Each Placee is deemed to agree that if it does not comply with these obligations, Investec may sell any or all of their Sale Shares on their behalf and retain from the proceeds, for the Selling Shareholders' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Sale Shares on their behalf.

Representations, warranties and further terms

In accepting the Placing Participation, each Placee (and any person acting on such Placee's behalf) represents, warrants, undertakes, acknowledges and agrees to each of the Company, the Selling Shareholders and Investec, that:

- (1) it has read and understood this document in its entirety and it agrees and acknowledges that the acquisition of the Sale Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements, undertakings and other information contained in this Part V;
- (2) it acknowledges and agrees that its acceptance of its Placing Participation on the terms set out in this document and these Terms and Conditions is legally binding, irrevocable and is not capable of termination or rescission by it other than in the circumstances set out in these Terms and Conditions;
- (3) it has not relied on, received nor requested nor does it have any need to receive, any prospectus, offering memorandum, listing particulars or any other document, other than this document describing the business and affairs of the Company which has been prepared for delivery to prospective investors in order to assist it in making an investment decision in respect of the Sale Shares, any information given or any representations, warranties, agreements or undertakings (express or implied), written or oral, or statements made at any time by the Company, the Selling Shareholders or Investec or by any subsidiary, holding company, branch or associate of the Company, the Selling Shareholders, Investec, or any of their respective officers, directors, agents, employees or advisers, affiliates, or any other person in connection with the Placing and that in making its application under the Placing it will be relying solely on the information contained in this document and it will not be relying on any information or representation given by the Company and its subsidiaries, the Selling Shareholders or Investec or any director, employee or agent of the Company, the Selling Shareholders or Investec other than as expressly set out in this document for which none of Investec or any of its directors and/or employees and/or person(s) acting on behalf of any of them shall to the maximum extent permitted under law have any liability except in the case of fraud. Each Placee further confirms, represents and warrants that it has reviewed this document, including (without limitation) the discussion of the conditions of the Placing Agreement, commissions payable to Investec, and risks related to the Company, its operations and the Ordinary Shares;
- (4) it is a Relevant Person and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Sale Shares that are allocated to it for the purposes of its business;
- (5) in the case of a Relevant Person in a Relevant Member State who acquires any Sale Shares pursuant to the Placing:
 - (i) it is a qualified investor; and
 - (ii) in the case of any Sale Shares acquired by it as a financial intermediary, as that term is used in Regulation 5(1) of the Prospectus Regulation:
 - the Sale Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale in circumstances where the Prospectus Regulation applies or to, persons in any Relevant Member State other than qualified investors or in circumstances in which the prior consent of Investec has not been given to the offer or resale; or

- where Sale Shares have been acquired by it on behalf of persons in any member state of the EEA other than qualified investors, the offer of those Sale Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- (6) it agrees that the exercise by Investec of any right of termination or any right of waiver exercisable by Investec contained in the Placing Agreement or the exercise of any discretion thereunder is within the absolute discretion of Investec and neither Investec, the Company or the Selling Shareholders, nor any of their respective affiliates, agents, consultants, directors, employees, officers or any person acting on behalf of any of them will have any liability to it whatsoever in connection with any decision to exercise or not exercise any such rights. Each Placee acknowledges that if (i) any of the conditions in the Placing Agreement are not satisfied (or, where relevant, waived) or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will lapse and its rights and obligations hereunder shall cease and determine at such time and no claim shall be made by it in respect thereof;
 - (7) it will not distribute, forward, transfer or otherwise transmit this document or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
 - (8) it is acquiring the Sale Shares for its own account or if it is acquiring the Sale Shares on behalf of another person it confirms that it exercises sole investment discretion in relation to such other person's affairs and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its acquisition of Sale Shares;
 - (9) it understands (or if acting on behalf of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Part V;
 - (10) it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (i) is required under the Prospectus Regulation or UK Prospectus Regulation; and (ii) has been or will be prepared in connection with the Placing;
 - (11) the only information on which it is entitled to rely and on which it has relied in committing to acquire the Sale Shares is contained in this document and otherwise it has made its own assessment of the Company, the Sale Shares and the terms of the Placing and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. It has not relied on (i) any investigation that Investec or any person acting on Investec's behalf may have conducted with respect to the Company, the Placing or the Sale Shares; or (ii) any other information given or any other representations, statements or warranties made at any time by any person in connection with Admission, the Company, the Selling Shareholders, the Placing, the Sale Shares or otherwise, and neither Investec, the Company or the Selling Shareholders nor any of their respective affiliates nor any person acting on its or their behalf will be liable for any Placee's decision to accept an invitation to participate in the placing based on any other information, representation, warranty or statement;
 - (12) neither Investec, the Company, the Selling Shareholders nor any of their respective affiliates, agents, consultants, directors, employees, officers or any person acting on behalf of any of them has provided, nor will provide, it with any material regarding the Sale Shares or the Company or any other person in addition to the information in this document; nor has it requested any of Investec, the Company or the Selling Shareholders, nor any of their respective affiliates, agents, consultants, employees, directors or officers or any person acting on behalf of any of them to provide it with any such information;
 - (13) the content of this document has been prepared by and is exclusively the responsibility of the Company. Neither Investec nor any persons acting on behalf of it is responsible for or has or shall have any liability for any information, representation, warranty or statement, written or oral relating to the Company and either contained in this document or previously or concurrently published by or on behalf of the Company. Investec will not be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this document, or otherwise. None of Investec, the Company, the Selling Shareholders, nor any of

their respective affiliates, agents, consultants, directors, employees or officers has made any representation or warranty to the Placee, express or implied, with respect to the Company, the Placing or the Sale Shares or the accuracy, completeness or adequacy of the information in this document. Nothing in this Part V shall exclude any liability of any person for fraudulent misrepresentation;

- (14) it has the funds available to pay for the Sale Shares which it has agreed to acquire and acknowledges, agrees and undertakes that it will make payment to Investec for the Sale Shares allocated to it in accordance with the terms and conditions of this document on the due times and dates set out in this document or as otherwise directed by Investec, failing which the relevant Sale Shares may be placed with others on such terms as Investec may, in its absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the Placing Price of the net proceeds of such sale and the placing proceeds of such Sale Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this document) which may arise upon the sale of such Placee's Sale Shares on its behalf, and that the purchase of the Sale Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
- (15) its allocation (if any) of Sale Shares will represent a maximum number of Sale Shares to which it will be entitled, and required, to acquire, and that Investec or the Selling Shareholders may call upon it to acquire a lower number of Sale Shares (if any), but in no event in aggregate more than the aforementioned maximum;
- (16) the allocation, issue and delivery to it, or the person specified by it for registration as holder, of Sale Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that no instrument under which it acquires Sale Shares (whether as principal, agent or nominee) would be subject to stamp duty or stamp duty reserve tax at the increased rates referred to in those sections and that it, or the person specified by it for registration as holder of the Sale Shares, is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, issue or delivery of Sale Shares would give rise to such a liability;
- (17) it, or the person specified by it for registration as a holder of the Sale Shares will be responsible for any liability to stamp duty or stamp duty reserve tax that is payable on the acquisition of any of the Sale Shares or the agreement to subscribe for the Sale Shares and shall indemnify the Company, the Selling Shareholders and Investec in respect of the same on the basis that the Sale Shares will be allotted to a CREST stock account of Investec who will hold them as nominee on behalf of such Placee (or the person specified by it for registration as holder of the Sale Shares) until settlement with it in accordance with its standing settlement instructions;
- (18) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to Sale Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that Investec has not approved this document in its capacity as an authorised person under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as a financial promotion by an authorised person;
- (19) it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Participation (including all relevant provisions of FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
- (20) none of Investec, the Company, the Selling Shareholders, any of their respective affiliates, agents, consultants, directors, employees or officers or any person acting on behalf of any of them are making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any acknowledgements, agreements, indemnities, representations, undertakings or warranties contained in the Placing Agreement nor the exercise or performance of Investec's rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right. Its participation in the Placing is on the basis that it is not and will not be a client of Investec and Investec has no duties or responsibilities to it for providing the protections afforded to its clients or customers under the rules of the FCA, and any payment by it will not be

- treated as client money governed by the rules of the FCA;
- (21) Investec and each of its affiliates, each acting as an investor for its or their own account(s), may, in accordance with applicable legal and regulatory provisions, bid or subscribe for and/or purchase Sale Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Sale Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Sale Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, Investec and/or any of its affiliates, acting as an investor for its or their own account(s). Neither Investec nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
 - (22) it will not make any offer to the public of the Sale Shares and it has not offered or sold and will not offer or sell any Sale Shares to persons in the United Kingdom or in the EEA prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom for the purposes of section 85(1) of FSMA or an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;
 - (23) it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006, the Anti Terrorism Crime and Security Act 2001 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (together, the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
 - (24) it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, market abuse under the MAR and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
 - (25) it has neither received nor relied on any confidential or price-sensitive information concerning the Company in accepting this invitation to participate in the Placing;
 - (26) if it has received any 'inside information' (for the purposes of the MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities, it confirms that it has received such information within the market soundings regime provided for in article 11 of MAR and associated delegated regulations and it has not: (i) dealt (or attempted to deal) in the securities of the Company; (ii) encouraged, recommended or induced another person to deal in the securities of the Company; or (iii) unlawfully disclosed inside information to any person, prior to the information being made publicly available;
 - (27) it has not taken any action or omitted to take any action which will or may result in Investec, the Company, the Selling Shareholders or any of their respective directors, officers, agents, affiliates, employees or advisers being in breach of the legal or regulatory requirements of any territory in connection with the Placing or its acquisition of Sale Shares pursuant to the Placing;
 - (28) in order to ensure compliance with the Regulations, Investec (for itself and as agent on behalf of the Company) or the Company's Registrar may, in their absolute discretion, require verification of its identity. Pending the provision to Investec or the Company's Registrar, as applicable, of evidence of identity, definitive certificates in respect of the Sale Shares may be retained at Investec's absolute discretion or, where appropriate, delivery of the Sale Shares to it in uncertificated form may be delayed at Investec's or the Company's Registrar's, as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity Investec (for itself and as agent on behalf of the Company) or the Company's Registrar have not received evidence satisfactory to them, Investec and/or the Company may, at their absolute discretion, terminate their commitment in respect of the Placing, in which event the monies payable on acceptance of allocation will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
 - (29) it acknowledges and agrees that its commitment to acquire Sale Shares on the terms set out

herein and in the trade confirmation or contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or Investec's conduct of the Placing;

- (30) it and/or each person on whose behalf it is participating:
- (i) is entitled to acquire Sale Shares comprising the Placing Participation pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
 - (ii) has fully observed such laws and regulations;
 - (iii) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Sale Shares in connection with its Placing Participation and will honour such obligations;
 - (iv) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Part V) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its acquisition of Sale Shares comprising the Placing Participation;
 - (v) agrees to the terms set out in this Part V and does so make the acknowledgements, agreements, indemnities, representations, undertakings and warranties contained in this document on its own behalf (and in the case of a person acting on behalf of a Placee, on behalf of that Placee); and
 - (vi) will remain liable to the Company and Investec for the performance of all its obligations as a Placee of the Placing (whether or not it is acting on behalf of another person).
- (31) it is not, and any person who it is acting on behalf of is not, and at the time the Sale Shares are acquired will not be, a resident of, or with an address in, or subject to the laws of, the United States, Australia, Canada, the Republic of South Africa or Japan and it acknowledges and agrees that the Sale Shares have not been and will not be registered or otherwise qualified under the securities legislation of the United States, Australia, Canada, the Republic of South Africa or Japan and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
- (32) it understands, and each account it represents has been advised, that the Sale Shares have not been and will not be registered or qualified for distribution by way of a prospectus under the securities legislation of the United States, Australia, Canada, the Republic of South Africa, Japan and, subject to certain exceptions, may not be offered, sold, acquired, renounced, distributed or delivered or transferred, directly or indirectly, within or into those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;
- (33) it understands, and each account it represents has been advised that, (i) the Sale Shares have not been, and will not be, registered under the Securities Act or with any regulatory authority of any state or other jurisdiction of the United States; (ii) the Sale Shares are being offered and sold only in an "offshore transaction" within the meaning of and pursuant to Regulation S under the Securities Act; and (iii) the Sale Shares may only be reoffered or resold in transactions exempt from the registration requirements of the Securities Act and in accordance with applicable state securities laws and no representation is being made as to the availability of any exemption under the Securities Act or any relevant state or other jurisdiction's securities laws for the reoffer, resale, pledge or transfer of the Sale Shares;
- (34) it and each account it represents is, and at the time the Sale Shares are acquired will be, outside the United States and acquiring the Sale Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
- (35) it and each account it represents is not acquiring the Sale Shares as a result of any "directed selling efforts" as defined in Regulation S under the Securities Act;
- (36) it (and any account for which it is purchasing) is acquiring the Sale Shares for investment purposes, and is not acquiring the Sale Shares with a view to any offer, sale, resale, transfer, delivery or distribution, directly or indirectly, thereof in or into the United States within the meaning

- of the Securities Act;
- (37) it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Sale Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
 - (38) it irrevocably appoints any duly authorised officer of Investec as its agent for the purpose of executing and delivering to the Company and/or its Registrar any documents on its behalf necessary to enable it to be registered as the holder of any of the Sale Shares for which it agrees to purchase upon the terms of this document;
 - (39) the Company, Investec, the Selling Shareholders and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to Investec on its own behalf and on behalf of the Company and the Selling Shareholders and are irrevocable, and agree that if any of the representations and agreements deemed to have been made by it by its subscription for, or purchase of, Sale Shares, are no longer accurate, it shall promptly notify the Company and Investec;
 - (40) time is of the essence as regards its obligations under this Part V;
 - (41) any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Investec; and
 - (42) the terms and conditions in this Part V and all documents into which this Part V is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire Sale Shares pursuant to the Placing, and any non-contractual obligations arising out of or in connection with such agreements, will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Sale Shares (together with any interest chargeable thereon) may be taken by the Company, the Selling Shareholders or Investec in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

Each Placee acknowledges that the Company, the Selling Shareholders, Investec, any transfer agent, any distributors or dealers and their respective affiliates and others will rely on the truth and accuracy of the foregoing warranties, acknowledgements, representations, undertakings and agreements, and it agrees to indemnify and hold harmless the Company, the Selling Shareholders, Investec and any of their respective affiliates officers, directors, agents, employees or advisers (the “**Indemnified Persons**”) from and against any and all costs, claims losses, damages, liabilities or expenses, including legal fees and expenses (including any VAT thereon), which an Indemnified Person may incur by reason of, or in connection with, any representation, warranty, acknowledgement, agreement or undertaking made herein not having been true when made, any breach thereof or any misrepresentation.

The rights and remedies of Investec, the Company and the Selling Shareholders under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to them and the exercise or partial exercise of one will not prevent the exercise of others.

Each Placee agrees to be bound by the Articles once the Sale Shares which it has agreed to purchase have been acquired by it.

Investec and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before Admission and each Placee further agrees that these Terms and Conditions shall survive after completion of the Placing and Admission.