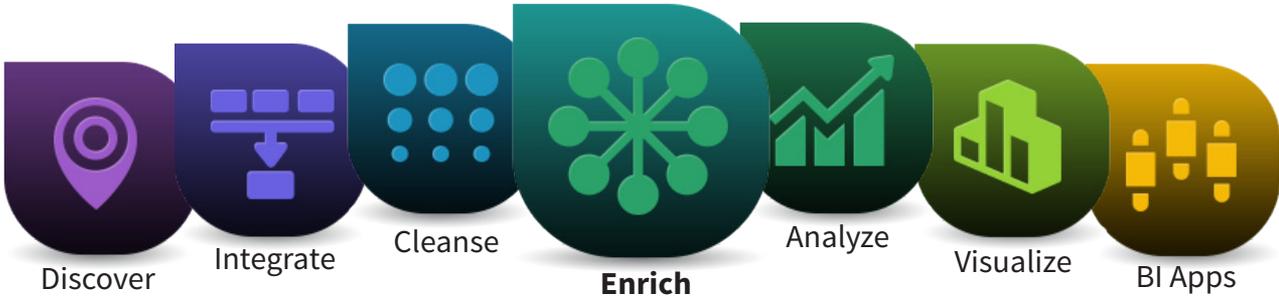


# Rosslyn Data Technologies plc



## *AIM Admission Document*



*Nominated Adviser and Broker*

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor or other independent adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are resident in the UK, or, if you are not resident in the UK, from another authorised independent adviser. The whole of this document should be read. Your attention is drawn in particular to the section entitled “Risk Factors” in Part II of this document that describes certain risks associated with an investment in Ordinary Shares.**

The Directors of Rosslyn Data Technologies plc (the “Company”), whose names and functions appear on page 9 of this document, and the Company accept responsibility, individually and collectively, in accordance with the AIM Rules for Companies (“AIM Rules”), for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document, which comprises an admission document drawn up in accordance with the AIM Rules, has been issued in connection with the proposed admission of the issued Ordinary Shares to trading on AIM, a market operated by the London Stock Exchange plc (“AIM”). This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the UK Financial Conduct Authority (the “FCA”) in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

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## **Rosslyn Data Technologies plc**

*(Incorporated and registered in England and Wales with registered number 08882249)*

**Placing of up to 31,060,606 Ordinary Shares of £0.005 each at 33p per share**

**Admission to trading on AIM**

**Nominated Adviser and Broker**



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The Placing is conditional, *inter alia*, on Admission taking place on or before 29 April 2014 (or such later date as the Company and Cenkos Securities plc may agree). The Placing Shares will, on Admission, rank *pari passu* in all respects with the issued ordinary share capital of the Company on Admission including the right to receive all dividends or other distributions declared, paid or made after Admission.

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays), at the offices of the Company being 25 Eccleston Place, London SW1W 9NF, for a period of one month from the date of Admission.

Application will be made for the Ordinary Shares to be admitted to trading on AIM (“Admission”). It is expected that Admission will take place and that dealings in the issued and to be issued Ordinary Shares will commence on 29 April 2014. **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 United Kingdom Listing Authority (the “Official List”). 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.** In particular, it should be remembered that the price of securities and the income from them can go down as well as up. The AIM Rules are less demanding than those of the Official List. **Each AIM company is required pursuant to the AIM Rules**

**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. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange. The London Stock Exchange has not itself examined or approved the contents of this document.**

This document does not constitute an offer to sell, or a solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States of America, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, any state securities laws in the United States or any securities laws of Canada, the Republic of South Africa or Japan or in any country, territory or possession where to offer them without doing so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain limited exceptions, be offered or sold, directly or indirectly, in the United States, Canada, the Republic of South Africa or Japan or to, or for the account limited or benefit of, any person in, or any national, citizen or resident of the United States of America, Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Placing, the Ordinary Shares or the distribution of this document.

Cenkos Securities plc is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules. Cenkos Securities plc will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Cenkos Securities plc as to the contents of this document. No liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

#### **FORWARD-LOOKING STATEMENTS**

**This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions 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. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. The Directors believe that the expectations reflected in these statements are reasonable, but 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.**

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## PLACING STATISTICS\*

Number of Ordinary Shares in issue immediately prior to Admission <sup>1</sup>	45,102,784
Number of new Ordinary Shares being issued pursuant to the Placing	30,303,030
Number of Sale Shares being sold pursuant to the Placing	757,576
Number of Ordinary Shares in issue on Admission	75,405,814
Placing Price	33 pence
Proportion of Enlarged Share Capital represented by the New Shares	approximately 40.2 per cent.
Market capitalisation on Admission at the Placing Price	approximately £24.9 million
Estimated gross proceeds of the Placing receivable by the Company	£10 million
Estimated net proceeds of the Placing receivable by the Company	approximately £8.7 million
Ticker	RDT
SEDOL	BKX5CP0
ISIN number	GB00BKX5CP01
Website address	www.rosslynanalytics.com

\* Assuming that the Placing is fully subscribed

<sup>1</sup> including 16,346,032 A Preference Shares which are to be re-designated as Ordinary Shares conditional upon and with effect from immediately prior to Admission

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	29 April 2014
Admission and dealings in the Ordinary Shares to commence at 8.00 a.m. on	29 April 2014
CREST accounts credited for Placing Shares in uncertificated form	29 April 2014
Despatch of definitive share certificates, where applicable	by 6 May 2014

*References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.*

## DEFINITIONS

In this document (other than Part III), where the context permits, the expressions set out below shall bear the following meaning:

<b>“A Preference Shares”</b>	the A preference shares of £0.005 each in the capital of the Company which are to be re-designated as Ordinary Shares conditional upon, and with effect from immediately prior to, Admission as described in paragraph 4.7 of Part IV of this document
<b>“Act”</b>	the Companies Act 2006 (as amended)
<b>“Admission”</b>	the admission of the Ordinary Shares issued, and to be issued pursuant to the Placing, to trading on AIM and such admission becoming effective in accordance with the AIM Rules
<b>“Admission Document”</b>	this document
<b>“AIM”</b>	the market of that name operated by London Stock Exchange plc
<b>“the AIM Rules”</b>	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange as amended from time to time
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
<b>“Articles”</b>	the articles of association of the Company on Admission
<b>“Business Day”</b>	a day other than a Saturday or Sunday on which banks are open for commercial business in the City of London
<b>“certificated” or “certificated form”</b>	the description of a share or other security which is not in uncertificated form (that is not in CREST)
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“Company”</b>	Rosslyn Data Technologies plc, a company incorporated in England and Wales with registered number 08882249 and having its registered office at 25 Eccleston Place, London SW1W 9NF
<b>“Connected Person”</b>	any connected person of a Director as defined in Section 252 of the Act
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by CRESTCo
<b>“CREST Manual”</b>	the compendium of documents entitled CREST Manual issued by CRESTCo from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual, and the CREST Glossary of Terms
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<b>“CREST Rules”</b>	the rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK System
<b>“CREST UK System”</b>	the facilities and procedures of the relevant systems of which CRESTCo is the Approved Operator pursuant to the CREST Regulations
<b>“CRESTCo”</b>	Euroclear UK & Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations
<b>“Directors” or “Board”</b>	the directors of the Company whose names appear on page 9 of this document

<b>“Disclosure Rules” or “DTR”</b>	the Disclosure and Transparency Rules made by the UKLA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
<b>“Enlarged Share Capital”</b>	the issued ordinary share capital of the Company immediately following Admission assuming the New Shares are subscribed for in full
<b>“Existing Ordinary Shares”</b>	the 45,102,784 Ordinary Shares in issue immediately prior to Admission (including the 28,756,752 Ordinary Shares in issue at the date of this document and the Ordinary Shares resulting from the re-designation of the 16,346,032 A Preference Shares in issue at the date of this document as Ordinary Shares conditional upon, and with effect from immediately prior to, Admission as described in paragraph 4.7 of Part IV of this document)
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“FY 11”</b>	the twelve months ended 31 March 2011
<b>“FY 12”</b>	the thirteen months ended 30 April 2012
<b>“FY 13”</b>	the twelve months ended 30 April 2013
<b>“HMRC”</b>	Her Majesty’s Revenue and Customs
<b>“HY 14”</b>	the six months ended 31 October 2013
<b>“Group” or “Rosslyn”</b>	the Company and its subsidiaries from time to time
<b>“IFRS”</b>	International Financial Reporting Standards, as adopted for use in the European Union
<b>“ISIN”</b>	International Securities Identification Number
<b>“Lock-in Agreement”</b>	the agreement by which the Directors and IQ Capital Fund I LP have agreed, with Cenkos and the Company, certain undertakings with respect to their holdings of Ordinary Shares on Admission, as more particularly described in paragraph 15.1 of Part IV of this document
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Memorandum”</b>	the memorandum of association of the Company
<b>“New Shares”</b>	the up to 30,303,030 Ordinary Shares to be issued to Placees by the Company pursuant to the Placing
<b>“Nominated Adviser”, “Nomad” or “Cenkos”</b>	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8. Tokenhouse Yard, London EC2R 7AS
<b>“Operating Group”</b>	Rosslyn Analytics Limited and its subsidiaries
<b>“Orderly Market Agreements”</b>	the agreements by which the holders of 6,615,048 Existing Ordinary Shares have agreed with Cenkos and the Company certain undertakings with respect to any disposal of Ordinary Shares in the twelve months following Admission and by which the Selling Shareholder has agreed with Cenkos certain undertakings with respect to any disposal of Ordinary Shares (not including the Sale Shares) in the nine months following Admission, in each case as more particularly described in paragraph 15.1 of Part IV of this document
<b>“Ordinary Shares” or “Shares”</b>	ordinary shares of £0.005 each in the capital of the Company
<b>“Placees”</b>	subscribers for and purchasers of the Placing Shares, as procured by Cenkos on behalf of the Company pursuant to the Placing Agreement and the Selling Shareholder Agreement

<b>“Placing”</b>	the conditional placing by Cenkos of the New Shares on behalf of the Company and the Sale Shares on behalf of the Selling Shareholder, all at the Placing Price pursuant to and on the terms of the Placing Agreement and the Selling Shareholder Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 24 April 2014 between (i) Cenkos; (ii) the Company; and (iii) the Directors relating to the Placing of the New Shares, further details of which are set out in paragraph 15.1 of Part IV of this document
<b>“Placing Price”</b>	33 pence per Placing Share
<b>“Placing Shares”</b>	the New Shares and the Sale Shares
<b>“RAL”</b>	Rosslyn Analytics Limited
<b>“Registrar”</b>	Capita Asset Services (a trading name of Capita Registrars Limited)
<b>“Remuneration Committee”</b>	the remuneration committee of the Board
<b>“ROI”</b>	return on investment
<b>“Sale Shares”</b>	the up to 757,576 Ordinary Shares to be sold by the Selling Shareholder pursuant to the Placing
<b>“Scheme”</b>	the Company’s Enterprise Management Incentive share option plan, details of which are set out in paragraph 6 of Part IV of this document
<b>“Selling Shareholder”</b>	James Courtis-Pond, a former director of RAL, whose business address is courtesy of Pinsent Masons LLP at 30 Crown Place, Earl Street, London EC2A 4ES
<b>“Selling Shareholder Agreement”</b>	the conditional agreement dated 24 April 2014 between (i) Cenkos; (ii) the Company; and (iii) the Selling Shareholder relating to the Placing of the Sale Shares, further details of which are set out in paragraph 15.1 of Part IV of this document
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Takeover Panel”</b>	the Panel on Takeovers and Mergers
<b>“TIDM”</b>	Tradeable Instrument Display Mnemonic used to identify UK listed securities
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Corporate Governance Code”</b>	the UK corporate governance code published by the Financial Reporting Council from time to time

## GLOSSARY OF TECHNICAL TERMS

<b>“big data”</b>	the term for a collection of data sets so large and complex that it becomes difficult to process using on-hand database management tools or traditional data processing applications. The challenges include capture, curation, storage, search, sharing, transfer, analysis and visualisation
<b>“data cleansing”</b>	the process of detecting and correcting (or removing) corrupt or inaccurate records from a record set, table, or database
<b>“data decay”</b>	the erosion over time of the accuracy and relevance of the data, for example, customers’ addresses
<b>“data enrichment”</b>	the process of connecting third party data to a client’s existing data (for example credit scores) to get a deeper understanding of the opportunity and/or risks
<b>“data extraction”</b>	the act or process of retrieving data out of data sources for further data processing or data storage
<b>“EMC”</b>	EMC Corporation, multinational corporation headquartered in Hopkinton, Massachusetts, United States
<b>“IBM”</b>	an American multinational corporation called International Business Machines Corporation
<b>“IDC”</b>	a premier provider of market intelligence called International Data Corporation
<b>“M2M”</b>	machine to machine
<b>“machine learning”</b>	a branch of artificial intelligence, concerns the construction and study of systems that can learn from data
<b>“SAP”</b>	SAP AG, a multinational enterprise software and software related services provider
<b>“SAP environment”</b>	the SAP software subsystems or components needed to deliver a fully functional SAP enterprise resource planning system
<b>“system integrators”</b>	companies that specialise in bringing together different technology systems into a whole and ensuring that those technologies all function together
<b>“tag”</b>	the process of assigning a keyword or term to another piece of information and/or data
<b>“visualisation”</b>	the creation and study of the visual representation of data, meaning “information that has been abstracted in some schematic form, including attributes or variables for the units of information”

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	John O'Hara <i>Non-Executive Chairman</i> Charles Clark <i>Chief Executive Officer</i> Francis Reid <i>Chief Financial Officer</i> Hugh Cox <i>Chief Data Officer</i> Jeffrey ("Jeff") Sweetman <i>Chief Operating Officer</i> Edward ("Ed") Stacey <i>Non-Executive Director</i> Bernard ("Barney") Quinn <i>Independent Non-Executive Director</i>
<b>Company Secretary</b>	Francis Reid
<b>Registered Office of the Company</b>	Rosslyn Data Technologies plc 25 Eccleston Place London SW1W 9NF
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
<b>Auditors to the Company</b>	PricewaterhouseCoopers LLP 10 Bricket Road St. Albans AL1 3JX
<b>Reporting Accountants to the Company</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
<b>Solicitors to the Company</b>	Rosenblatt Solicitors 9-13 St. Andrew Street London EC4A 3AF
<b>Solicitors to the Nominated Adviser and Broker</b>	Squire Sanders (UK) LLP 7 Devonshire Square London, EC2M 4YH
<b>Registrars</b>	Capita Asset Services (a trading name of Capita Registrars Limited) The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

# PART I

## INFORMATION ON THE GROUP

### 1. Introduction

Rosslyn Data Technologies plc was incorporated on 7 February 2014 and has been established as the new holding company of the Group. Founded in 2005, with headquarters in London and offices in both New York and Colorado, USA, the Directors believe the Group to be one of the early entrants in cloud based data analytics, focused on serving the business intelligence marketplace in relation to the big data challenge. Business intelligence aims to improve business insight to support better decision-making by increasing the quality, reliability and visibility of information available to management. In a worldwide study conducted by Gartner, business intelligence was ranked first in the top ten technology priorities for Chief Information Officers in 2012.

Rosslyn provides analytical services to its clients by combining four key technologies: data extraction; cleansing; enrichment; and visualisation, through a single cloud platform enabling users with detailed data to make more informed decisions. Rosslyn's proprietary RAPid platform delivers cloud technology to customers and is the Group's primary product available to its multinational customers, including Aberdeen Asset Management plc, Babcock Corporate Services plc, Xerox Business Services and Coca-Cola Enterprises, Inc.

The Group's founding management team have spent approximately five years developing the Group's data discovery platform, RAPid, which extracts, combines and synchronises data from hundreds of data sources (both internal and external sources) and then transforms and enriches this data providing the user with tools to build charts, tables and apps in order to visualise the information over a cloud internet connection.

### 2. Key strengths and opportunities

The Directors believe that the Group has the following key strengths and opportunities:

#### *Differentiated product*

Whilst there are several cloud based data analytical tools in existence, the Company is not aware of a comparable solution that offers customers a similar ability to optimise analysis of their data through an end to end platform with an integrated solution akin to Rosslyn's. Rosslyn's platform is flexible and able to work with multiple operating systems and databases and has been designed with the principles of speed, ease of use and reliability in mind, whilst still being priced competitively.

#### *Scalability of product*

The RAPid platform has been designed to be customised and extended to suit the needs of a wide variety of industries making it scalable for multiple adjacent and vertical markets which, the Directors believe, gives the Company the potential to secure more customers and grow its business.

#### *Significant growth and market opportunity*

The Directors believe that the increasing importance of business intelligence to decision makers in any business, the adoption of cloud computing and the search for big data solutions will help to drive significant demand for the Group's product as the addressable market grows.

Furthermore, the majority of projects that Rosslyn has in place, or in the pipeline, are for initial pilot projects at departmental or country level. The Directors therefore believe there is a significant opportunity for the Group to "land and expand" within the current customer base and pipeline.

#### *High profile customers*

The Company counts many high profile customers amongst its client base including Xerox Business Services, Babcock Corporate Services Limited, BG International Ltd, 3M United Kingdom plc, Rexam plc and Coca-Cola Enterprises, Inc. The Company has dealt with approximately 14 per cent. of the companies within the FTSE 100 as at March 2014.

#### *Ability to deliver a positive return on customers' investment quickly*

The Group's technologies enable clients to extract and analyse their data quicker than the more traditional analytics platforms and are therefore able to deliver clients a rapid return on their investment.

### ***Highly skilled and innovative talent base***

The Group has 42 staff with significant experience and understanding of cloud based data analytics. Individuals have previously had experience at a variety of institutions such as IBM, Oracle, PeopleSoft, Google and Microsoft UK. The Group's R&D function includes three staff members with PhD's in computer sciences.

### ***Experienced board and strong management team***

The Board has significant expertise and experience of operating in European and US technology companies and also of managing high growth companies.

## **3. History and background**

In 2005 Charles Clark and Hugh Cox, who had been working together, identified the opportunity to co-found Rosslyn in the UK with the objective of establishing a dominant position as a provider of cloud analytics services to a small but significant segment of the analytics market and, from this base, using the technologies to broaden Rosslyn's focus. Together they believe that they identified a significant gap in the analytics marketplace which was, at that time, unaddressed by the visualisation applications available. The key problems were the integration, cleansing and enrichment of the available source data; the essential raw material for any analytics project. To address this Rosslyn began the development of the RAPid platform in 2006.

The first notable subscription service started in 2009 with Macquarie Sourcing along with several other consultancy projects with customers such as Pitney Bowes. The business grew its subscription paying customer base to 26 by the end of FY11 and this number had increased to 44 by the end of October 2013. In 2010 the Group won notable customers such as BG Communications International Inc., Deloitte LLP and Aberdeen Asset Management plc and in 2011 the Group won Coca-Cola Enterprises, Inc as a client. Total headcount increased from a team of approximately five people in 2008 to 20 by the end of FY11 including the appointment of both Jeff Sweetman, the current Chief Operating Officer, and John O'Hara, the Non-Executive Chairman.

In July 2011 the business expanded into the US with the formation of Rosslyn Analytics, Inc. In September 2012, the RAPid platform went live and Rosslyn included the Qlikview visualisation tool in the interface.

Rosslyn's business was subsequently restructured from being a supply chain analytics application provider, where the Group delivered spend and supply chain risk analysis applications, to an enterprise cloud analytics platform supporting multiple forms of analysis. The RAPid platform is now being used to analyse activities as diverse as baggage handling data, educational performance and music royalty management.

Rosslyn Data Technologies plc is the ultimate holding company of the Group and owns 100 per cent. of Rosslyn Analytics Limited. Rosslyn Analytics Limited is the principal trading company of the Group in the UK and owns 100 per cent. of Rosslyn Analytics, Inc. and Rosslyn Analytics, Inc. is the principal trading company of the Group in the United States of America.

## **4. Overview of Rosslyn's business process**

Rosslyn provides analytical services to clients through a single cloud platform with the key product being its RAPid platform. The RAPid analytics platform was developed in-house and replicates, in the cloud, traditional analytics technologies by automating key data management tasks, reducing complexity and most importantly, the Directors believe, reducing deployment times and saving substantial costs. The platform integrates a combination of technologies as described below:

**Data extraction** – the RAPid platform enables clients to collect data from multiple different data sources. These include common Enterprise Resource Planning (“ERP”) systems such as SAP and Customer Relationship Management (“CRM”) platforms such as Salesforce. For example, in a SAP environment, the complexities faced in extracting data for such projects as spend analysis are material; the data is located in many tables and hundreds of fields, all of which have to be identified and the relationships made in a universe of many thousands of sources. Rosslyn's technology has pre-configured many of these requirements enabling non-experts to extract and integrate this data on a self-service basis. Rosslyn's solutions are capable of reducing the complexity and time requirement of a typical extraction process thereby reducing the cost; a typical data extraction project may take a number of weeks and time costs are incurred accordingly. However, with the deployment of Rosslyn's extraction technology both the time, and therefore cost, of this process can be significantly reduced.

In a situation where data is being pulled from multiple sources, the Group's RAPid extraction technologies and services are able to simultaneously extract and integrate the data regardless of its format. As an example, although a SAP system is fundamentally different from an Oracle system the RAPid extraction technology enables clients to extract and integrate data from both of these sources. The Group is currently supporting the analytics of a manufacturer which needs to integrate data from 15 different source systems.

**Data cleansing** – is a critical element to any analysis of sales, marketing and risk data. 80 per cent. of all data has a geo location component. If this component is inaccurate or incomplete the analytical opportunity is greatly reduced. Key source data, such as names and addresses, is often inaccurate due to misspelling, poor data input, duplication and missing fields and therefore of minimal value for any analytics project. This is further complicated by the fact that certain data sets can decay over time, for example, people move jobs, residence or change names and companies merge and are taken over. In order to deliver the necessary insights in to these lists, errors in data need to be corrected and the data actively managed to ensure it is up to date. The data cleansing technology within the RAPid platform enables the user to drill into the source data through the process of data mining and to then reflag such items to enable greater consistency. This is often not available to clients where several different systems or databases are used to provide the information.

**Data enrichment** – the Directors believe that the Group has differentiated capability in this area. Data that is currently analysed in a traditional analytical environment lacks contextual information and therefore provides a shallow perspective on performance, risk and opportunity. However, with the Group's solution, data can be connected to other relevant sources, both internal and external. The details of every customer and supplier in the Rosslyn environment can be linked to data sources such as credit scoring agencies, Equifax (i.e. SME status) or a growing number of open data sources on the web such as risk data sources. This provides the Group's customers with a deeper, more dynamic and valuable insight into the business opportunities through the creation of an information network.

The value of Rosslyn's enrichment tool was demonstrated in December 2012 when there was a tsunami warning on the East Coast of Japan and one of the Group's clients was able to understand, within a few minutes, its exposure to both its customers and suppliers being adversely impacted and take appropriate action. More recently the Group has developed technology which enables clients to see which of their customers and suppliers were affected by the flooding in the UK and make adjustments as appropriate.

**Visualisation** – data visualisation products make data more understandable for the end user. This is particularly useful when vast data sets are being utilised.

In 2011 Rosslyn initiated a partnership with QlikView as a visualisation partner which resulted in the QlikView interface being deployed within the RAPid platform. In a number of cases this interface is now part of the end users' dashboard. The RAPid platform can be accessed by any device and the applications are presented in an easy to use app store environment. An example of the interface is show below:



## **Business model**

Rosslyn uses a subscription model to sell its product, providing a predictable revenue stream and a foundation for further expansion.

Rosslyn has two main channels to market: 1) direct with their own sales team; and 2) partnerships. Partnerships include consultants, who are increasingly expected to include an analytical layer in their service, analytical application development partners, who are looking for a cloud delivery platform as opposed to their traditional on-premise deployments, and strategic partners who are large multi nationals using the analytics platform for their own internal use to be included in the services that they deliver to their client bases. Rosslyn currently has approximately 50 direct clients and 40 partners who are reselling or integrating Rosslyn's technology into their offering.

Subscription agreements are typically for a period of 12 months and paid in advance with the revenue recognised over the life of the contract. The cost is determined by factors such as the number of data feeds, named users and each customer's use of the Group's cleansing and enrichment services. Customer subscriptions can range from one user to an enterprise deployment of many hundreds and can scale up to thousands.

Customer attrition has, in the Directors' opinion, been low with buyers usually remaining with Rosslyn and renewing services at a higher average monthly subscription cost. The Directors believe that the Company's high renewal rates are due to the fact that once customers utilise the RAPid platform they become reliant on the analysis and quality of data and information it provides to management such that the cost to replace the platform outweighs the renewal cost.

Rosslyn has had a history of fast delivery and high return on investments for clients; for example, Clifford Chance obtained an ROI of over 100 per cent. within eight weeks of Rosslyn extracting data from Oracle and other third-party data feeds from around the world. In addition, Aberdeen Asset Management also achieved a ROI of 250 per cent. within approximately eight weeks of starting to use Rosslyn's technology.

## **5. Market overview and potential**

The Directors believe that there is growing demand for self-service analytics software products. As data analysis becomes more mainstream, the Directors believe that every business that wishes to pursue data driven decisions, at scale, will need to develop cost-effective analytical capabilities and processes. According to the MarketsandMarkets study in 2013 more than 13 per cent. of companies have cloud analytics and Business Intelligence ("BI") solutions and this is expected to reach 50 per cent. by 2018. The cloud BI market is growing rapidly as compared to traditional on-premise BI solutions driven by significant growth in the amount of internal and external data. Cloud analytics is offered through different delivery models, such as private, public, hybrid and community clouds. These solutions are more flexible than traditional IT systems, reducing deployment time, requiring less storage space and having a high processing capacity. Both small and large enterprises are major adopters of cloud analytics services and the Directors expect this trend to continue for the next few years.

The overall cloud analytics market stands with a total revenue of \$4.3 billion in 2012, and is expected to grow to \$16.5 billion at a compound annual growth rate ("CAGR") of 25.8 per cent. from 2013 to 2018. This growth is due to high adoption of cloud analytics solutions among small as well as large enterprises. Analytics solutions and cloud BI tools are expected to grow with a high CAGR of 31.6 per cent. and 31.4 per cent. respectively.

The growth in data is well documented with the majority of industry analysts pointing towards exponential growth in consumer, M2M, mobile and enterprise data while industry players like Cisco (White Paper) and EMC (IDC backed research) are basing their business models on 5-10x growth in volume of data over the next five years. The Directors believe that the enterprise user base is increasingly recognising the return on investment from analysing their data.

IDC estimates that around a third of data by 2020 will be "useful data if tagged and analysed". This equates to approximately 13,000 exabytes compared with total big data today of approximately 5,000 exabytes.

The Directors further believe that the Group has an additional opportunity for growth as a result of the fact that, although most large enterprises have become better at storing and managing their data, few have made the investment to utilise and analyse the data they own. IDC estimates that currently only 3 per cent. of all data is tagged (identified and classified) and only around 0.5 per cent. is

analysed. As the “go-to-market” strategies (both B2B and B2C) of organisations move increasingly to the web/cloud, the Directors believe that the analysis of data will have major pay-backs for businesses, not only in terms of identifying cost savings, but developing, selling and marketing plans.

The Directors believe that the Data Analytics market could be substantially greater than current forecasts as cloud delivery enables enterprises to increase the number of data intelligence projects they undertake. The Directors believe that versus traditional on-premise, slow and expensive analytics solutions, Rosslyn has developed a cost effective, scalable, cloud-based, networked solution.

## **6. Competitors**

In addition to in-house IT departments, competitors for the Group’s platform include Domo, Birst, IBM, SAP and Oracle. Beyond these established traditional players there is a new cohort emerging made up of businesses such as Gooddata and Alteryx, which the Directors believe the Group is more easily compared to. The Directors believe that the Group’s platform successfully competes against all these competitors based upon its approach of providing an end to end analytics offering which includes integration, cleansing and enrichment, whilst also delivering quality of service, value for money and relative ease of implementation and use. The focus for the Group has been and will continue to be on lowering the barriers of entry for customers who wish to become more analytical by helping these customers achieve a quicker, lower total cost of ownership and higher return on investment whilst simultaneously allowing Rosslyn to achieve an attractive return. The Directors also believe that Rosslyn’s key differentiator over its competitors is not only the flexibility of the Group’s platform but the Group’s ‘machine learning’ and data tagging technology which allows the Group’s customers to connect to a wide range of data sources creating a valuable network of information. Furthermore, the platform is able to provide output according to personal preference of the user in multiple formats across a wide range of devices.

## **7. Intellectual property**

The Group protects its intellectual property rights (including software, algorithms, databases, website content and product documentation) through a variety of methods, including copyright and contractual obligations. Confidential information and trade secrets (including details of the Group’s algorithms and databases and sensitive information about its customers), are protected as proprietary information through specific non-disclosure agreements entered into by the Group with prospective clients/partners as well as through the terms and conditions of its contractual agreements with customers.

The Group’s proprietary intellectual property was developed solely by its employees. Protection is afforded to the Group through its employment agreements or separate “Confidentiality and Intellectual Property Agreements” entered into with employees, which confirm that all intellectual property rights and know-how developed by employees of the Group are the sole property of the Group.

The Directors are aware of the importance of protecting the Group’s intellectual property rights, both for the safeguarding of its core analytics services and for enhancing commercial value of the products and applications it develops. As such, RAL is the registered proprietor of key trademarks relating to the process of its analytical services. RAL has extended such registration to the European Union and United States of America, affording the Group greater protection. The Group has also filed a patent application to protect one of its core processes and proposes to include further jurisdictions at a later stage. The Group continues to investigate suitable opportunities to register other patents to protect the Group’s intellectual property. Further, the Group has registered a large number of domain names which are central to the Group’s business in order to protect the Group’s brand further.

## **8. Customers**

Rosslyn currently has more than 50 customers globally, a number of which are household names. In FY13 the Group’s top ten customers accounted for 50 per cent. of the Group’s total revenue. Those customers include BG International Ltd, Coca-Cola Enterprises Inc, Aberdeen Asset Management plc and Babcock Corporate Services Limited. 75 per cent. of Rosslyn’s revenues for FY13 came from UK operations with the balance split between Europe accounting for 7 per cent. and the rest of the world accounting for 18 per cent. Strong growth in revenues from several large multinational companies headquartered in the United States has increased rest of the world revenues as a percentage of total global revenues from 4 per cent. in FY11 to 18 per cent. in HY14.

Rosslyn has acquired customers across many parts of the global digital ecosystem, from medium sized UK businesses to global organisations focused on finance, manufacturing and retail. The Board believes that this provides increasing confirmation that the addressable market for cloud based analytics potentially covers all medium to large businesses.

## 9. Strategy

The Directors believe that the Group is well positioned to pursue its growth strategy through the following avenues:

### *New customer acquisitions in existing markets*

Building on its reputation with existing customers, following Admission, the Group plans to follow a more aggressive sales and marketing strategy through an increased sales force and enhanced branding within the geographies and industries in which it currently operates.

### *Growth within the existing client base*

Typical customer engagements for the Group start in one division of a client organisation thereby enabling the Group to leverage this reference point into other departments and work streams in large multinationals. The Group has a “land and expand” strategy to win initial projects and grow the numbers of contracts within each customer as it has already done in clients such as Xerox Business Services where the Group now works in multiple areas across the business.

### *Product development*

The Directors intend to develop the Group’s existing technologies by focussing on self-service, integration, cleansing and data enrichment. Furthermore, the Directors intend to take advantage of creating additional IP by developing the Group’s patent portfolio which they believe will further the Group’s leadership in the analytics marketplace.

### *Geographic expansion*

The Group intends to expand into further geographies by adding further customers and partners in different territories.

### *Accretive acquisitions*

The Board intends to pursue a strategy primarily driven by organic growth. However, in a dynamic and fast growing marketplace, the Directors expect to be presented with acquisition opportunities which they will consider as appropriate.

## 10. Selected Financial Information

The financial information for the Group set out below has been extracted without material adjustment from the historical financial information for the three years ended 30 April 2013 as well as the six months ended 31 October 2013.

	<b>12 months ended 31 March 2011</b>	<b>13 months ended 30 April 2012</b>	<b>12 months ended 30 April 2013</b>	<b>6 months ended 31 October 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	1,296,276	1,973,250	1,835,219	1,019,630
Gross profit	1,225,887	1,866,917	1,593,084	829,334
Operating loss	(724,267)	(732,152)	(1,673,270)	(1,672,708)
Loss before income tax	(724,325)	(734,156)	(1,673,270)	(1,672,708)
Net assets/(liabilities)	57,259	497,036	(932,678)	(745,801)

## 11. Current Trading and Prospects

The Directors remain confident that the Group’s product and strategy remain competitive. The Group continues to sign new business, with recent account wins including Diageo plc, and General Electric Company (a company incorporated in New York State). The Directors believe that these wins demonstrate the continued strength in the business’s home market and in new international territories. The Group is also in discussions regarding a number of new significant partnerships which the Directors consider further endorses the Board’s belief that a partnership route to market is valid.

The Directors further believe that the continued development of the Group's sales pipeline as well as the planned product release schedule for the current financial year underpins the Board's strategy and expectations.

## **12. Reasons for admission and use of proceeds**

The net proceeds from the Placing of New Shares receivable by the Company are expected to be approximately £8.7 million (assuming the Placing is fully subscribed) and are primarily intended to drive growth in the business.

Management intend to invest approximately £1.2 million to expand the Group's sales force. The Group will continue to invest in product development and management, using approximately £1.5 million. The remainder will be used for general working capital purposes.

The Directors believe that Admission will be beneficial to the Company for the following reasons:

- it will raise the profile of the Company and increase credibility with potential partners, targets and clients;
- the Company will be better positioned to attract, recruit and retain key employees as well as create an incentive mechanism for current and future employees;
- it will increase access to capital should further finance be required to expand the business of the Company; and
- the Company will be able to issue new Ordinary Shares as consideration in connection with any acquisition opportunities which arise.

## **13. Directors and senior management**

On Admission the Board will comprise four executive Directors and three non-executive Directors.

### **Board**

#### **John O'Hara, aged 55, Non-Executive Chairman**

John has over 28 years of experience in the high tech industry, having held senior positions with globally significant technology businesses including IBM and Microsoft UK. As President of Pitney Bowes Software, John led global expansion initiatives and was responsible for a number of strategic acquisitions across the UK, Europe and Australia. He has previously worked for Microsoft UK as General Manager, Enterprise and Partner Group where he was responsible for more than \$1 billion in revenue, as well as senior roles at IBM and Lotus Development Group. John has a Bachelor of Science (Hons) degree in Chemistry from the University of Wales Institute of Science and Technology and a Master of Science degree from the University of Manchester.

#### **Charles Clark, aged 45, Chief Executive Officer and Co-Founder**

Charles co-founded RAL and Ockham Capital Limited and, prior to this was an Executive Director of Panmure Gordon. He has extensive experience of working with fast growing companies and capital markets. Charles served with the British Army during Desert Storm and holds an MBA from City University Business School, is a Fellow of the Securities Institute and is an Accredited Associate of the Institute for Independent Business.

#### **Hugh Cox, aged 49, Chief Data Officer and Co-Founder**

Hugh Cox co-founded RAL with Charles Clark. Hugh has helped many public and private sector organisations tackle business issues through technologies including cloud computing, data management and spend analytics. Hugh has authored and spoken extensively on the subject of data analysis with particular focus on fraud prevention and detection, through the deployment of cloud computing, software as a service (SaaS) spend analysis platforms. Prior to establishing RAL, Hugh was COO Investments (EMEA) with Citigroup Private Bank. He also worked for Perot Systems, JP Morgan and Logica. After leaving the British Army, Hugh took a BSc in Computer Science and an MBA from City University Business School.

#### **Jeff Sweetman, aged 47, Chief Operating Officer**

Jeff has extensive experience in building and deploying enterprise solutions for global organisations. Jeff has spent more than 15 years within the technology market, holding senior positions with J.D.Edwards, PeopleSoft, Oracle, FileNet, IBM as well as helping to grow a start-up within the

Microsoft Dynamics channel. Jeff's technology solution experience spans ERP, e-Procurement, Content Management, Document Management, Business Process, Management, Business Intelligence, Data Warehousing and the SaaS marketplace. Having lived and worked in Africa, Asia Pacific, Europe and the United States, Jeff has a deep understanding of the complex multinational environments within which global organisations need to deploy solutions to their business requirements. Jeff has a degree from Loughborough University and a MBA from London Business School.

**Francis Reid, aged 55, Chief Financial Officer**

Francis joined RAL in 2013 and has more than 25 years of financial, executive leadership and operational management experience in emerging growth companies and financial institutions including investment banking and pension fund management. Francis has previously held senior roles with UBS Investment Bank, in London and New York, and Gartmore Investment Management and, more recently, held senior financial posts with a number of early stage ventures. A qualified Chartered Accountant, Francis holds a degree in Economics and Public Administration from London University, Bedford College.

**Barney Quinn, aged 61, Independent Non-Executive Director**

Barney has significant experience in the global application software and cloud markets. He was the CEO of then AIM listed Workplace Systems where today he is also a non-executive director. For 13 years Barney was an executive board director of Sherwood International and has also been a non-executive director on two other listed software companies, SSP Holdings and Raft International. At Bcrypt, the privately held encryption software specialist, he was non-executive chairman for 7 years.

**Ed Stacey, aged 49, Non-Executive Director**

Ed has been active in technology venture capital for over 15 years. He was one of the first investors into Autonomy, in 1996, and has been instrumental in a number of UK technology companies to achieve success. His current venture fund, IQ Capital, has made three successful cash exits to date, to Google, Apple and Becton Dickinson. IQ Capital is a shareholder of the Company and will own approximately 14.67 per cent. of the Enlarged Share Capital.

**14. Corporate Governance**

The Directors recognise the importance of sound corporate governance and whilst the UK Corporate Governance Code does not apply to AIM companies, the Directors intend to observe the requirements of the UK Corporate Governance Code to the extent they consider appropriate in light of the Group's size, stage of development and resources. The Board also proposes, so far as practicable, to follow the recommendations set out in the corporate governance code for small and mid-size quoted companies 2013 published by the Quoted Company Alliance ("QCA").

The Board has established an audit committee, a remuneration committee and a 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 monitor the need for an internal audit department following Admission.

The audit committee will comprise Barney Quinn, who will act as Chairman, and John O'Hara and will co-opt such directors as they see fit. The audit committee will meet 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 Chairman, 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 comprise Barney Quinn, who will act as Chairman, and John O'Hara and will co-opt such directors as they see fit. The remuneration committee will meet at least twice a year and otherwise as required.

#### **Nomination committee**

The nomination committee will be responsible for considering the selection and re-appointment of Directors. It will identify and nominate candidates to fill Board vacancies and review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regards to any changes. The nomination committee will comprise Barney Quinn, who will act as Chairman, and John O'Hara and other directors will be invited to join the committee as they see fit.

The Directors intend to comply, and procure compliance with, Rule 21 of the AIM Rules for Companies relating to dealings by directors and other applicable employees in the Company's securities and, to this end, the Company has adopted an appropriate share dealing code.

#### **15. Dividend policy**

The Company is primarily seeking to achieve capital growth for its Shareholders and it is the Board's intention during the current phase of the Group's development to retain future distributable profits and only recommend dividends when appropriate and practicable. The Company has never paid any dividends. In the long term, the Directors intend to follow a progressive dividend policy in respect of excess equity over and above that required to fund the Group.

#### **16. Details of the Placing**

Assuming that the Placing is fully subscribed, on Admission the Company will have 75,405,814 Ordinary Shares in issue and a market capitalisation of approximately £24.9 million. The Placing comprises the issue of up to 30,303,030 New Shares by the Company to raise up to £10 million gross and the sale of up to 757,576 Sale Shares by the Selling Shareholder.

Cenkos has agreed, pursuant to the Placing Agreement and the Selling Shareholder Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours to place the Placing Shares, with institutional and other investors.

The Placing is conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 29 April 2014 or such later date as Cenkos and the Company may agree, being not later than 13 May 2014.

The Placing is not being underwritten.

The New Shares will be issued credited as fully paid and the Sale Shares will be sold and transferred credited as fully paid and the Placing Shares will rank *pari passu* in all respects with all Existing Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. Admission is expected to become effective and dealings in the Ordinary Shares issued and to be issued are expected to commence on 29 April 2014.

Further details of the Placing Agreement and the Selling Shareholder Agreement are set out in paragraph 15.1 of Part IV of this document.

#### **17. Incentive arrangements**

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

The Board has adopted the Scheme under which employees of the Group have been granted options to subscribe for Ordinary Shares. Certain other options to subscribe for Ordinary Shares, which are not granted pursuant to the Scheme, have also been granted by the Company. Details of the options are set out below and further details of the Scheme are set out in paragraph 6 of Part IV of this document.

In September 2013 RAL informed a group of its employees that they had been granted share options with an exercise price of 6.86 pence per share. In exchange for a number of these employees agreeing to surrender any options and rights they have over RAL shares, RAL granted options over 49,000 RAL ordinary shares. In exchange for these employees agreeing to surrender these RAL options, the Company has granted options over 392,000 Ordinary Shares under the Scheme. These options have been granted with an exercise price of one eighth of 6.86 pence per share. This reflects the fact that one RAL share was exchanged for eight Ordinary Shares as part of the share for share exchange described in paragraph 15.1 of Part IV of this document. These options become exercisable in a number of circumstances including the listing of the Company, which includes Admission.

In December 2013 RAL informed Francis Reid that he would be granted share options with an exercise price of 6.86 pence per share. Francis Reid was granted this share option at the beginning of April 2014. In exchange for Francis Reid agreeing to surrender any options and rights he has over RAL shares, the Company has granted options over 320,000 Ordinary Shares under the Scheme to Francis Reid. These options have been granted with an exercise price of one eighth of 6.86 pence per share and become exercisable in a number of circumstances including the listing of the Company, which includes Admission.

The Company has granted, conditional upon Admission, options over 120,000 Ordinary Shares to a number of employees of the Group pursuant to the Scheme with an exercise price equal to the Placing Price.

In June 2013 RAL agreed to grant John O'Hara a nominal value option over 45,648 shares in RAL. This was in exchange for John O'Hara agreeing to waive his basic fee for performing non-executive chairman services. The agreement was for shares to vest quarterly over a two year period and for all of the shares to vest on a listing of RAL. John O'Hara subsequently agreed to amend the terms of this agreement to an option over 30,000 shares in RAL and a £50,000 basic fee. As part of the consideration for John O'Hara agreeing to surrender any options and rights he has over RAL shares, the Company has granted an option over 240,000 Ordinary Shares pursuant to a standalone option agreement. This option is exercisable on Admission. The exercise price is an amount equal to the nominal value of the shares under the option.

In September 2013 RAL informed a number of individuals based in the United States that carried out work for the Group that they had been granted share options with an exercise price of 6.86 pence per share. In exchange for a number of these individuals agreeing to surrender any options and rights they have over RAL shares, the Company has granted options over 56,000 Ordinary Shares pursuant to standalone option agreements. These options have been granted with an exercise price of one eighth of 6.86 pence per share.

The Company has granted, conditional upon Admission, options over 8,000 Ordinary Shares to an individual based in the United States that carries out work for the Group pursuant to a standalone option agreement. The exercise price for this option is equal to the Placing Price.

#### **18. Lock in and orderly market agreements**

Each of the Directors and IQ Capital Fund I LP have entered into the Lock-in Agreement with Cenkos and the Company pursuant to which they have agreed not to dispose of any interest in Ordinary Shares for a period of 12 months from Admission (subject to certain exceptions) and for a further period of 12 months thereafter to deal in Ordinary Shares only through an orderly market arrangement between themselves and Cenkos.

In addition, the holders of, in aggregate, 6,615,048 Existing Ordinary Shares have entered into an Orderly Market Agreement pursuant to which they have agreed that they will not dispose of Ordinary Shares in the 6 months following Admission except with the approval of Cenkos and that, any disposal of Ordinary Shares in the following 6 months will, subject to certain exceptions be conducted through an orderly market arrangement between themselves and Cenkos and the Selling Shareholder has entered into an Orderly Market Agreement pursuant to which he has agreed that he will not dispose of Ordinary Shares in the 3 months following Admission except with the approval of

Cenkos and any disposal in the following 6 months will, subject to certain exceptions, be conducted through an orderly market arrangement between himself and Cenkos.

Further details of the Lock-in Agreement and Orderly Market Agreements are set out in paragraph 15.1 of Part IV of this document.

#### **19. Admission, settlements and dealing**

Application has been made to the London Stock Exchange for the Existing Ordinary Shares and the New 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 April 2014.

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 Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission and CREST has agreed to such admission. Accordingly, the settlement of transactions in the Ordinary Shares following Admission may take place within CREST if individual Shareholders so wish. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Where placees have requested to receive their Ordinary Shares in certificated form, share certificates will be despatched by first class post within 14 days of Admission.

#### **20. Taxation information for investors**

Information regarding certain taxation considerations in relation to Admission is set out in paragraph 14 of Part IV of this document. These details are, however, intended only as a general guide to the current position under UK taxation law. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

EIS and VCT investors should be aware that, whilst advance assurances have been obtained from HMRC, the Directors cannot guarantee that Placing Shares will be able to be treated as qualifying for relief under the EIS Scheme (as applicable) or as qualifying holdings within the meaning of Part 6 of the Income Tax Act 2007.

#### **21. Further information**

The attention of prospective investors is drawn to the financial and other information set out in Parts III and IV inclusive of this document, which provide additional information on the Group. 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 INVOLVES A HIGH DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE SPECIFIC RISKS SET OUT BELOW IN ADDITION TO ALL OF THE OTHER INFORMATION SET OUT IN THIS DOCUMENT BEFORE INVESTING IN ORDINARY SHARES. THE INVESTMENT OFFERED IN THIS DOCUMENT MAY NOT BE SUITABLE FOR ALL OF ITS RECIPIENTS. POTENTIAL INVESTORS ARE ACCORDINGLY ADVISED TO CONSULT AN INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER FSMA WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES BEFORE MAKING ANY INVESTMENT DECISION. A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY WHETHER AN INVESTMENT IN THE COMPANY IS SUITABLE IN THE LIGHT OF HIS OR HER PERSONAL CIRCUMSTANCES AND THE FINANCIAL RESOURCES AVAILABLE TO HIM OR HER.

THE DIRECTORS BELIEVE THE FOLLOWING RISKS TO BE THE MOST SIGNIFICANT FOR POTENTIAL INVESTORS. HOWEVER, THE FOLLOWING FACTORS DO NOT PURPORT TO BE AN EXHAUSTIVE LIST OR EXPLANATION OF ALL THE RISK FACTORS INVOLVED IN INVESTING IN THE COMPANY. IN PARTICULAR, ROSSLYN'S PERFORMANCE MIGHT BE AFFECTED BY CHANGES IN MARKET AND/OR ECONOMIC CONDITIONS AND IN LEGAL, REGULATORY AND TAX REQUIREMENTS. ADDITIONALLY, THERE MAY BE RISKS OF WHICH THE BOARD IS NOT AWARE OR BELIEVES TO BE IMMATERIAL WHICH MAY, IN THE FUTURE, ADVERSELY AFFECT THE GROUP'S BUSINESS AND THE MARKET PRICE OF THE ORDINARY SHARES. IF ANY OF THE FOLLOWING RISKS WERE TO MATERIALISE, THE GROUP'S BUSINESS, FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS COULD BE MATERIALLY ADVERSELY AFFECTED. IN SUCH CASES, THE MARKET PRICE OF THE ORDINARY SHARES MAY DECLINE AND HOLDERS OF ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTMENT.

#### RISKS RELATING TO THE COMPANY'S BUSINESS

##### *Limited period of operating history and history of losses*

The Group began operations in 2008 and therefore has a comparatively short operating history. It is therefore difficult to form an evaluation of the Group's business and prospects. In particular the Group has to date earned modest revenue from sales and, as a result, the Group has incurred net losses to date and every year since incorporation. The Group's development programme and growth plans, in relation to its commercial activities, including the proposed expansion of staffing levels is likely to result in the Group sustaining losses for at least the next two years.

##### *Unexpected demand for services*

As with most early-stage development companies, it is possible that the Group is subject to unpredictable high demand for its services before it has the adequate capacity and requisite systems and processes to satisfy such demand. If the Group is not able to manage those demands to customers' satisfaction, it may experience reputational and/or financial damage.

##### *Market development*

The Directors believe that certain developments will take place in the markets in which the Group operates. Whilst the current increasing market adoption of cloud services might increase the Group's addressable market, this will involve rapid industry technology change, which could adversely affect the Group's prospects. If the market does not develop as the Directors anticipate, the Group's growth plans, business and financial results may suffer. Further, the increasing expense to develop and enhance the RAPid platform to outperform competition could result in a further financial burden for the Group, which may have a negative impact on the Group's financial performance and profitability.

##### *Wide market adoption*

The Company believes the addressable market for the Group's services is both very large and global. However, it currently serves only a very small sample of this market. Fully addressing the market opportunity requires considerable research and development. This will require both management time

and financial expense for which the Group may not have the adequate resources, which may materially harm the Group's business, financial condition or operating results.

#### ***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. The Group is susceptible to a more prolonged economic downturn which may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to generate a profit.

In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain, this might have an adverse impact on the Group's operations and business results.

#### ***Growth management and acquisitions***

The Directors believe that further expansion will be required in the future to capitalise on the anticipated increase in demand for the Group's services and products. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on management, support functions, research and development, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer. The process of integrating an acquisition into its business may produce unforeseen operating difficulties and expenditures and may absorb significant attention of the Company's management that would otherwise be available for the on-going development of its business, which may materially harm the Group's business, financial condition or operating results.

In identifying potential acquisition targets, the Group would make every effort to ensure appropriate due diligence is carried out, but acquisitions would necessarily leave the Group exposed, at least to some degree, to any operational failings of the target company and potentially to overpaying for any such target. Any payment for such target company with Ordinary Shares could dilute the interests of Shareholders.

There can be no guarantee that the Company will be able to source and execute suitable acquisitions in the future, or that any such acquisitions will successfully achieve their aims.

#### ***Continued investment***

The Group needs to continue to invest significant resources in research and development in order to enhance the Group's existing products and services. There is a risk that if customers do not receive a high quality experience with the Group's products and services that they become dissatisfied and move to competitors' products. Given the rapid change in the market in respect to user preference and industry changes then it may lead to the Group losing its customer base.

The Company's future success will depend on its ability to adapt to rapidly changing technologies, to adapt its products and services to evolving industry standards and practices and to improve the performance and reliability of the Group's services. Failure to adapt to such changes would harm the Group's business.

#### ***Expansion into overseas/new markets***

The Company plans to generate future growth through building existing business in international markets. Although the potential of these markets appear to be great there is the risk that the Company will be unable to obtain significant sales or profitability if the entry costs are higher than expected.

There is an additional risk that the legal and regulatory regimes of the countries prove to be costly. Additionally, the time and money spent in penetrating these overseas / new markets may cause disruption and harm to the Group's existing business.

#### ***Competition***

The Directors feel that the main source of competition lies with in-house IT departments and with platform competitors including IBM, SAP and Oracle. There is a risk that the Group's future competitors may develop new products or enhancements which add more value to customer needs. There is the risk that increased competition may cause price reductions, a loss of market share and reduce gross and operating margins. These combined factors could result in a material adverse effect on the Group's business, financial condition and results of operations.

There is also a risk that many of the Group's competitors have a greater financial, technical, marketing or service resources than the Group and have a larger base of products, longer operating histories and/or greater name recognition. The Group's relatively small size may therefore be considered negatively by prospective customers. In addition, the Group's competitors may be able to respond more quickly than the Group can to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products and to the development of new products, which could result in the Group losing customers and cause harm to the Group's business, financial condition and results of operations.

#### ***Commercial arrangements***

Although the Group has customer contracts with a number of global partners, the principal arrangements for the commercialisation are at an early stage. There can be no guarantee that the principal commercial arrangements with global partners will process beyond this initial phase. Failure to develop such early stage arrangements into longer term trading relationships would have a negative impact on the Group's revenue and results of operations.

#### ***Change of control***

The Group has certain agreements in place which currently permit the counterparty to terminate such agreements if their consent is not obtained prior to a change of control of RAL. Whilst the Directors are not aware of any intention on the part of such counterparties to terminate their agreements with the Group, or cease or suspend trading with the Group, the share for share exchange described in paragraph 15.1 of Part IV of this document, and/or the Placing may constitute a change of control under the relevant agreements for which consent of the counterparties has not been obtained. Should any such counterparty elect to terminate its agreement with RAL due to the change of control it could cause harm to the Group's business, financial condition and results of operations.

#### ***Reliance on IT /technology***

The Group relies to a significant degree on the efficient and uninterrupted operation of its computer and communications systems and those of third parties, including the internet. Any failure of the internet generally or any failure of current or new computer and communication systems could impair the value of projects, the processing and storage of data and the day-to-day management of the Group's business. While the Group does have normal disaster recovery and business continuity contingency plans, no assurance can be given that, if a serious disaster affecting the business, systems or operations occurred such plans would be sufficient to enable the Group to recommence trading without loss of business.

In common with all cloud based applications there is a threat of malicious activities and hacking. The Group is ISO 27001 certified (Information Security Management) and its hosting partners in the UK and US carry similar industry standard security accreditations, however the Group cannot guarantee absolute protection against unauthorised attempts to access or interfere with its IT system. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in the Group's computer systems or interfere with the Group's or its customers' experiences. If a compromise in the Group's security measures were to occur, the Group may suffer reputational harm, which may have an adverse effect on the Group's financial condition or prospects.

The efficient operation of the Group's business systems and IT is critical to attracting and retaining customers. If the Group is unable to meet customer demand or service expectations due to one or more of the aforementioned issues arising, a deterioration in the Group's financial condition and future prospects may occur.

#### ***Technological /industry standards change***

The markets for the Group's products are characterised by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. Changing customer requirements, the introduction of applications or products embodying new technology and the emergence of new industry standards and operating practices may render the Group's existing products obsolete and unmarketable and may exert downward pressures on the pricing of existing products. It is critical to the success of the Company to be able to anticipate changes in technology or in industry standards and operating practices and to successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurances that it will successfully develop new products or enhance and improve its existing products, that new products and/or enhanced and improved existing products will achieve market acceptance or that the

introduction of new products or enhancing existing products by others, or changing customer requirements, will not render the Group's products obsolete. The Group's inability to develop products that are competitive in technology and price and that meet customer needs could have a material adverse effect on the Group's business, financial condition or results of operations.

***Failure to renew subscription agreements***

The Group's customers may not renew, or may reduce the scope of, their subscriptions for the Group's services and products. Renewal rates may decline or fluctuate as a result of a number of factors, including customers' level of satisfaction with the Group's products and services and their ability to continue their operations and spending levels. If the Group experiences a decline in the renewal rates for customers or they opt for fewer components of the Group's offerings or fewer subscriptions, the Group's revenue and operating results may be adversely impacted.

***If the Group is unable to maintain a high level of customer service, customer satisfaction and demand for the Group's services could suffer***

The Company believes that its future revenue growth depends on the Group's ability to provide customers with quality service that not only meets the Group's stated commitments, but meets and then exceeds customer service expectations. If the Group is unable to provide customers with quality customer support in a variety of areas, it could face customer dissatisfaction, decreased overall demand for its services, and loss of revenue. In addition, the Group's inability to meet customer service expectations may damage its reputation and could consequently limit its ability to retain existing customers and attract new customers, which could, in turn, adversely affect the Group's ability to generate revenue and negatively impact its operating results.

***Dependence upon key intellectual property***

The Company's success depends in part on its ability to protect the Group's rights in its intellectual property. The Group relies upon various intellectual property protections, including copyright, trademarks, trade secrets and contractual provisions, to preserve its intellectual property rights. The Group has also applied for one patent, has engaged advisers to consider the merits of a second patent application and will continue to consider suitable opportunities to apply for registration of intellectual property rights in appropriate jurisdictions. Despite these precautions, it may be possible for third parties to obtain and use the Group's intellectual property without its authorisation.

There may not be adequate protection for the intellectual property in every country in which the Group sells its products and policing unauthorised use of proprietary information is difficult and expensive. Due to the Group's size and limited cash resources, it has historically taken only limited action to protect its key intellectual property and it may not be able to detect and prevent infringement of its intellectual property. Should a third party successfully demonstrate priority over any of these rights, it could inhibit the Group from selling products in certain territories. The steps which the Group has taken and intends to take to protect its intellectual property may be inadequate to prevent the misappropriation of its proprietary technology. Any misappropriation of the Group's intellectual property could have a negative impact on the Group's business and its operating results. Furthermore, the Group may need to take legal action to enforce its intellectual property, to protect trade secrets or to determine the validity or scope of the proprietary rights of others. Litigation relating to the Group's intellectual property, whether instigated by the Group to protect its rights or arising out of alleged infringement of third party rights, may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation, or that it can be effectively used to enforce the Group's rights.

***The Group's use of open source software may restrict its ability to exploit its proprietary software and exposes it to certain risks***

The Group uses "open source" software, the use of which is subject to the terms of applicable licences. 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. However, licence terms may impose on the user compliance requirements and obligations to disclose modifications made to the software to third parties. Open source software is available to the public for anyone to access and utilise, including the Group's competitors.

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 to develop competitive products. It may also

be difficult for the Group to identify accurately the developers of the open source code (who may be licensors of the software) and whether the licensed software infringes third party intellectual property rights.

Furthermore, the scope and requirements of some common open source software licences may subject certain portions of the Group's proprietary software to certain requirements, including an obligation on the Group to disclose that software to third parties and to permit them to use the software free of charge.

Finally, open source licences typically present onerous compliance risks, and failure to observe these may result in litigation or the loss of the right to use the software which may have an adverse effect on the Group's financial condition and future prospects. The Group is not aware that it has breached any of these compliance requirements nor has any third party claimed that software owned by the Group should be made available on an open source basis.

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.

#### ***Claims by third parties***

While the Directors believe that the Group's products and other intellectual property do not infringe upon the proprietary rights of third parties, there can be no assurance that the Group will not receive communications from third parties asserting that the Group's products and other intellectual property infringe, or may infringe, their proprietary rights. Any such claims, with or without merit, could be time consuming, result in costly litigation and the diversion of technical and management personnel, cause product delays or require the Group to develop non-infringing technology or enter into royalty or licensing agreements or re-brand products. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Group or at all. In the event of a successful claim of product infringement against the Group and any failure or inability of the Group to develop non-infringing products or licence the infringed or similar products, the Group's business, operating results or financial condition could be materially adversely affected.

#### ***Key personnel***

The Group depends on the services of its key technical and development, sales and marketing and management personnel. The loss of the services of any of these persons could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Company cannot give assurances that it will be able to attract or retain highly qualified technical, sales, marketing and management personnel in the future. The Group's inability to attract and retain the necessary technical, sales, marketing and management personnel may adversely affect its future growth and profitability. It may be necessary for the Group to increase the level of remuneration paid to existing or new employees to such a degree that its operating expenses could be materially increased.

#### ***Financial resources***

The Group's future capital requirements will depend on many factors, including its ability to maintain and expand its customer base, its sales, cash flow and control of costs and the execution of any material acquisitions. In the future, the Group may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to holders of Ordinary Shares and any debt financing, if available, may require restrictions to be placed on the Group's future financing and operating activities. The Group may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Group or investor sentiment (whether towards the Group in particular or towards the market sector in which the Group operates) are unfavourable. The Group's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation.

#### ***Taxation***

Any change in the Company's tax status or in taxation legislation in any jurisdiction in which the Company operates could affect the Company's financial condition and results and its ability (if any) to provide returns to Shareholders. Statements in this document concerning the taxation of investors

in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

#### ***EIS and VCT status***

The Company received approval from HM Revenue & Customs on 17 April 2014 that the Company should be a “qualifying holding” for the purposes of the EIS and for investment by a VCT under Part 5 (EIS) and Part 6 (VCT) of Chapter 4 of the UK Income Tax Act 2007 respectively, and that the Ordinary Shares will be eligible shares for the purposes of section 173 and section 285(3A) of the UK Income Tax Act 2007.

The provisional approval relates only to the qualifying status of the Company and its shares and does not guarantee that any particular VCT will qualify for relief in respect of an acquisition of Ordinary Shares. The continuing availability of EIS relief and the status of the relevant Placing Shares as a qualifying holding for VCT purposes will be conditional amongst other things, on the Company continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making its investment (under EIS) and, for VCT purposes, throughout the period the Ordinary Shares are held as a “qualifying holding”. Neither the Company nor the Company’s advisers are giving any warranties or undertakings that any relief under the EIS or that VCT qualifying status will be available in respect of the Placing, or that in due course such relief or status will not be withdrawn.

Circumstances may arise where the Board believes that the interests of the Company are not best served by acting in a way that preserves the EIS or VCT qualifying status (if granted). In such circumstances, the Company cannot undertake to conduct its activities in a way designed to preserve any such relief or status. Should the law regarding the EIS or VCTs change, then any relief or qualifying status previously obtained may be lost.

Any person who is in any doubt as to their taxation position should consult their professional tax adviser in order that they may fully understand how the rules apply in their individual circumstances.

#### ***Key customer dependency***

The Group currently generates a significant proportion of its revenues from certain customers. In the 6 months to 31 October 2013, the Group’s top ten customers accounted for 55 per cent. of the Group’s total revenues. There can be no assurance that the Group will be able to retain all of its significant customers in the future. The loss of all or a substantial proportion of the business provided by one or more of the Group’s top customers could have a material adverse effect on the Group’s business.

#### ***Currency and foreign exchange***

A portion of the Group’s business is carried out in the future in currencies other than Sterling. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Company’s accounts, which could have a material impact on the Company’s financial position or result of operations, as shown in the Company’s accounts going forward. The Group may engage in foreign currency hedging transactions to mitigate potential foreign currency exposure. The Directors cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Group.

#### ***Transfer pricing***

There is a risk that amounts paid or received under intra-group arrangements in the past and/or in the future could be deemed for tax purposes to be lower or higher, as the case may be, or be disregarded for the purposes of calculating tax, which may increase the Group’s taxable income or decrease the amount of relief available to the Group with a consequential negative effect on its financial position.

#### ***Counterparty risk***

The nature of the Group’s business and current stage of its development are such that individual customers may comprise a significant proportion of its trade, revenues and receivables at any point in time. There is a risk that parties with whom the Group trades or has other business relationships (including partners, customers, suppliers and other parties) may default on their contractual obligations or become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Group trades defaults on its

obligations or becomes insolvent, this could have an adverse impact on the revenues and profitability of the Group.

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

### ***Suitability***

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decisions.

### ***Investment in AIM-traded securities***

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

### ***Share price volatility and liquidity***

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions.

### ***Certain Directors and Shareholders own a significant percentage of the Ordinary Shares and following Admission, they will be in a position to exert influence on the Group and their interests may differ from other Shareholders***

Immediately following Admission, Charles Clark (and his Connected Persons) will beneficially, own approximately 12.73 per cent. of the Ordinary Shares, Hugh Cox (and his Connected Persons) will beneficially own approximately 13.59 per cent. of the Ordinary Shares and IQ Capital Fund I LP will beneficially own approximately 14.67 per cent. of the Ordinary Shares. This significant concentration of share ownership may adversely affect the market value of the Ordinary Shares because investors may believe that there are disadvantages in owning shares in companies with controlling shareholders. These Shareholders may have the ability to determine the outcome of matters requiring shareholder approval, including appointments to the Board and significant corporate transactions. In addition, the interests of these shareholders may be different from the interests of the Group or other shareholders as a whole. This control could also have the effect of delaying or preventing an acquisition or other change of control of the Group.

### ***Access to further capital***

The Group may require additional funds to respond to business challenges or to enhance existing products and services. Accordingly, the Group may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Group requires it, the Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

### ***Future sale of Ordinary Shares***

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Group may require additional capital in the future which may not be available to it. If available, future financings to provide this capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

### ***Forward-looking statements***

Some of the statements in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's business). These statements include forward-looking statements both with respect to the Group and the sectors and industry in which the Group operates. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in this Part II of this document which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's or, as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity.

These forward-looking statements speak only as at the date of this document. Subject to any applicable obligations, the Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise, unless required by the Prospectus Rules, AIM Rules for Companies and Disclosure Rules and Transparency Rules, as appropriate. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

### ***No prior trading market for Ordinary Shares***

Prior to Admission, there was no public market for the Ordinary Shares. There can be no assurance that an active market for (and hence strong liquidity in the trading of) the Ordinary Shares will develop upon Admission, or if developed, that such market will be sustained.



**PART III**  
**HISTORICAL FINANCIAL INFORMATION**

**SECTION A: ACCOUNTANTS REPORT ON HISTORICAL FINANCIAL INFORMATION OF ROSSLYN ANALYTICS LIMITED**

The Directors  
Rosslyn Data Technologies plc  
25 Eccleston Place  
London  
SW1W 9NF

Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London  
EC2R 7AS

24 April 2014

Dear Sirs

**The historical financial information of Rosslyn Analytics Limited**

We report on the consolidated financial information of Rosslyn Analytics Limited and its subsidiaries set out in Section B of Part III of the admission document dated 24 April 2014 (the “**Admission Document**”) as at and for the six months ended 31 October 2013, the year ended 30 April 2013, the thirteen months ended 30 April 2012 and the year ended 31 March 2011 (the “**Rosslyn Analytics Financial Information**”). The Rosslyn Analytics Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 of the Financial Information. This report is required by Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the “**AIM Rules**”) and is given for the purpose of complying with that Schedule and for no other purpose.

**Responsibilities**

The Directors of Rosslyn Data Technologies plc are responsible for preparing the Rosslyn Analytics Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two to the AIM Rules, consenting to its inclusion in the Admission Document.

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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

**Basis of opinion**

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

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

**Opinion**

In our opinion, the Rosslyn Analytics Financial Information gives, for the purposes of the Admission Document dated 24 April 2014, a true and fair view of the state of affairs of Rosslyn Analytics Limited and its subsidiaries as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**Declaration**

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

Yours faithfully

**PricewaterhouseCoopers LLP**  
*Chartered Accountants*

## FINANCIAL INFORMATION

### HISTORICAL FINANCIAL INFORMATION OF THE GROUP

#### SECTION B: HISTORICAL FINANCIAL INFORMATION OF ROSSLYN ANALYTICS LIMITED

##### Consolidated Income Statement

	Notes	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
		£	£	£	£	£
Revenue	3	1,019,630	932,801	1,835,219	1,973,250	1,296,276
Cost of sales		(190,296)	(102,156)	(242,135)	(106,333)	(70,389)
<b>GROSS PROFIT</b>		829,334	830,645	1,593,084	1,866,917	1,225,887
Other operating income		—	7,333	7,333	26,000	2,000
Administrative expenses		(2,502,042)	(1,514,193)	(3,273,687)	(2,625,069)	(1,952,154)
<b>OPERATING LOSS</b>		(1,672,708)	(676,215)	(1,673,270)	(732,152)	(724,267)
Finance costs	5	—	—	—	(2,004)	(77)
Finance income	5	—	—	—	—	19
<b>LOSS BEFORE INCOME TAX</b>	6	(1,672,708)	(676,215)	(1,673,270)	(734,156)	(724,325)
Income tax	7	—	—	243,556	108,686	189,390
<b>LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<u>(1,672,708)</u>	<u>(676,215)</u>	<u>(1,429,714)</u>	<u>(625,470)</u>	<u>(534,935)</u>
Other comprehensive income		—	—	—	—	—
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(1,672,708)</u>	<u>(676,215)</u>	<u>(1,429,714)</u>	<u>(625,470)</u>	<u>(534,935)</u>
<b>LOSS PER SHARE</b>		Pence	Pence	Pence	Pence	Pence
Basic loss per share: Ordinary shareholders		36.6	14.8	31.3	15.8	14.2
Basic loss per share: Preference shareholders		36.6	14.8	31.3	15.8	14.2
Diluted loss per share: Ordinary shareholders		36.6	14.8	31.3	15.8	14.2
Diluted loss per share: Preference shareholders		36.6	14.8	31.3	15.8	14.2

**Consolidated Statement of Financial Position**

	Notes	31 October 2013	30 April 2013	30 April 2012	31 March 2011
		£	£	£	£
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Intangible assets	9	10,036	519	690	918
Property, plant and equipment	10	44,786	43,167	45,198	20,425
		<u>54,822</u>	<u>43,686</u>	<u>45,888</u>	<u>21,343</u>
<b>CURRENT ASSETS</b>					
Trade and other receivables	12	382,942	414,681	430,518	582,167
Corporation tax receivable		30	131,265	25,000	13,000
Cash and cash equivalents	13	206,369	77,221	1,068,387	111,034
		<u>589,341</u>	<u>623,167</u>	<u>1,523,905</u>	<u>706,201</u>
<b>TOTAL ASSETS</b>		<u><u>644,163</u></u>	<u><u>666,853</u></u>	<u><u>1,569,793</u></u>	<u><u>727,544</u></u>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax	15	(5,001)	(5,001)	(7,207)	—
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	(1,059,963)	(1,269,530)	(1,065,550)	(670,285)
Financial liabilities – borrowings	16	(325,000)	(325,000)	—	—
		<u>(1,384,963)</u>	<u>(1,594,530)</u>	<u>(1,065,550)</u>	<u>(670,285)</u>
<b>TOTAL LIABILITIES</b>		<u><u>(1,389,964)</u></u>	<u><u>(1,599,531)</u></u>	<u><u>(1,072,757)</u></u>	<u><u>(670,285)</u></u>
<b>NET (LIABILITIES)/ASSETS</b>		<u><u>(745,801)</u></u>	<u><u>(932,678)</u></u>	<u><u>497,036</u></u>	<u><u>57,259</u></u>
<b>EQUITY</b>					
Called up share capital	17	457	457	457	396
Share premium		2,650,001	2,650,001	2,650,001	1,584,815
Shares to be issued	17	1,541,585	—	—	—
Accumulated loss		(4,937,844)	(3,583,136)	(2,153,422)	(1,527,952)
<b>TOTAL EQUITY</b>		<u><u>(745,801)</u></u>	<u><u>(932,678)</u></u>	<u><u>497,036</u></u>	<u><u>57,259</u></u>

### Consolidated Statement of Changes in Equity

	Notes	Called up share capital £	Retained earnings £	Share premium £	Shares to be issued £	Total equity £
<b>Balance as at 1 April 2010</b>		337	(993,017)	934,441	—	(58,239)
Issue of share capital	17	59	—	650,374	—	650,433
Total comprehensive income		—	(534,935)	—	—	(534,935)
<b>Balance at 31 March 2011</b>		396	(1,527,952)	1,584,815	—	57,259
Issue of share capital	17	61	—	1,065,186	—	1,065,247
Total comprehensive income		—	(625,470)	—	—	(625,470)
<b>Balance at 30 April 2012</b>		457	(2,153,422)	2,650,001		497,036
Total comprehensive income		—	(1,429,714)	—	—	(1,429,714)
<b>Balance at 30 April 2013</b>		457	(3,583,136)	2,650,001		(932,678)
Shares to be issued	17	—	—	—	1,541,585	1,541,585
Share based payments	21	—	318,000	—	—	318,000
Total comprehensive income		—	(1,672,708)	—	—	(1,672,708)
<b>Balance at 31 October 2013</b>		457	(4,937,844)	2,650,001	1,541,585	(745,801)

## Consolidated Statement of Cash Flows

	Notes	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
		£	£	£	£	£
<b>Cash flows from operating activities</b>						
Cash generated from operations	See below	(1,514,987)	(867,203)	(1,381,717)	(156,040)	(856,172)
Finance costs	5	—	—	—	(2,004)	(77)
Corporation tax received		131,235	—	135,085	103,893	173,897
<b>Net cash from operating activities</b>		<u>(1,383,752)</u>	<u>(867,203)</u>	<u>(1,246,632)</u>	<u>(54,151)</u>	<u>(682,352)</u>
<b>Cash flows from investing activities</b>						
Purchase of intangible fixed assets	9	(9,582)	—	—	—	—
Purchase of property, plant and equipment	10	(19,103)	(18,197)	(69,534)	(53,743)	(7,316)
Finance income	5	—	—	—	—	19
<b>Net cash from investing activities</b>		<u>(28,685)</u>	<u>(18,197)</u>	<u>(69,534)</u>	<u>(53,743)</u>	<u>(7,297)</u>
<b>Cash flows from financing activities</b>						
New loans in year	16	—	—	325,000	—	—
Proceeds from share issuance	17	1,541,585	—	—	1,065,247	650,433
<b>Net cash from financing activities</b>		<u>1,541,585</u>	<u>—</u>	<u>325,000</u>	<u>1,065,247</u>	<u>650,433</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		129,148	(885,400)	(991,166)	957,353	(39,216)
<b>Cash and cash equivalents at beginning of period</b>	13	<u>77,221</u>	<u>1,068,387</u>	<u>1,068,387</u>	<u>111,034</u>	<u>150,250</u>
<b>Cash and cash equivalents at end of period</b>	13	<u><u>206,369</u></u>	<u><u>182,987</u></u>	<u><u>77,221</u></u>	<u><u>1,068,387</u></u>	<u><u>111,034</u></u>

## RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
	£	£	£	£	£
Loss before income tax	(1,672,708)	(676,215)	(1,673,270)	(734,156)	(724,325)
Share based payments	318,000	—	—	—	—
Depreciation charges	17,484	17,165	41,586	25,547	24,082
Loss on disposal of fixed assets	—	—	29,979	3,423	—
Amortisation charges	65	86	171	228	299
Finance costs	—	—	—	2,004	77
Finance income	—	—	—	—	(19)
	<u>(1,337,159)</u>	<u>(658,964)</u>	<u>(1,601,534)</u>	<u>(702,954)</u>	<u>(699,886)</u>
Decrease/(increase) in trade and other receivables	31,739	(41,202)	15,837	151,649	(396,370)
Increase/(decrease) in trade and other payables	<u>(209,567)</u>	<u>(167,037)</u>	<u>203,980</u>	<u>395,265</u>	<u>240,084</u>
<b>Cash generated from operations</b>	<u><u>(1,514,987)</u></u>	<u><u>(867,203)</u></u>	<u><u>(1,381,717)</u></u>	<u><u>(156,040)</u></u>	<u><u>(856,172)</u></u>

## Notes to the Historical Financial Information

### 1. GENERAL INFORMATION

Rosslyn Analytics Limited (the “**Company**”) is a company incorporated and domiciled in the UK. The address of the registered office is: 92 Cromer Street, London, WC1H 8DD. The Company is the parent company of Rosslyn Analytics, Inc., a company incorporated in the United States of America (collectively, the “**Group**”). The Group’s principal activity is the provision of data analytics using a proprietary platform.

### 2. ACCOUNTING POLICIES

#### **Basis of preparation**

This historical financial information has been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The historical financial information has been prepared under the historical cost convention.

This historical financial information presents the financial track record of the Group for the four periods ended 31 October 2013 and is prepared for the purposes of admission to the AIM Market (“**AIM**”) operated by the London Stock Exchange. This special purpose financial information has been prepared in accordance with the requirements of the Prospectus Directive regulation, the Listing Rules, in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”), and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

The principal accounting policies adopted in the preparation of the Consolidated historical financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of consolidation**

##### **Subsidiaries**

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. Control is generally accompanied by a shareholding of more than one half of the voting rights. The financial information of subsidiaries is included in the Consolidated financial information from the date that control commences until the date that control ceases.

##### **Transactions eliminated on consolidation**

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the Consolidated financial information. Gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group’s interest in the entity. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

##### **Going concern**

Notwithstanding that the Group has made losses in the past and has net liabilities as at 31 October 2013, the historical financial information has been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The Group has raised additional cash of £971k through the issue of shares since 31 October 2013 as set out in note 17 of the financial information and the adoption of the going concern basis of preparation relies on the Group being able to raise approximately a further £8.7 million (excluding VAT) from the offering and admission of its shares to AIM.

##### **Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable and represents amounts for services provided to third parties in the normal course of business during the period, net of value added tax and results from the principal activities of the Group.

## Notes to the Historical Financial Information (*continued*)

Each element of revenue (described below) is recognised only when:

- Provision of the services has occurred;
  - The consideration receivable is fixed or determinable; and
  - Collection of the amount due from the customer is reasonably assured.
- (i) Implementation and set-up fees in connection with the deployment and customisation of the Group's proprietary solutions are recognised rateably over the term of the related customer contract (normally 12 months in length).
- (ii) Subscription revenue from data analytics services is recognised rateably over the term of the related customer contract.
- (iii) Any revenue arising from consultancy work is recognised in the statement of comprehensive income as such services are delivered.

Services that have been delivered at the end of a financial period but which have not been invoiced at that time are recognised as revenue in the statement of comprehensive income and shown within prepayments and accrued revenue in the statement of financial position.

Advance payments from customers or advance invoicing at the end of a financial period are included within accruals and deferred income in the statement of financial position. Such amounts are recognised in the statement of comprehensive income as the services are provided to the customer in accordance with points (i) to (iii) as set out above.

### **Cost of sales**

Cost of sales includes utilised data storage costs proportionate to the amount utilised to service customers. Cost of sales does not include salaries and wages.

### **Dividends**

No dividends were paid or recommended for payment by the directors in any of the reported periods.

### **Intangible fixed assets**

Website development costs

Costs that are incurred during the development of significant and separately identifiable website development costs for the use in the business are capitalised where the cost is integral to the generation of future economic benefits. Any costs which do not meet the above criteria are taken to the income statement in the period in which they occur.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset as follows:

Website development costs – 25% straight line

### **Property, plant and equipment**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statements.

## Notes to the Historical Financial Information (*continued*)

### Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment – 18 to 36 months straight line

### Taxation

Current taxes are based on the results shown in the financial information and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Research and Development tax credits are recognised when received or when virtually certain.

### Convertible loan stock

The convertible loan stock, a compound financial instrument, can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. The equity component is not split out separately if it is not material.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### Foreign currencies

The functional currency of the Group is pounds sterling because that is the currency of the primary economic environment in which the Group operates. The Group and Company's presentational currency is pounds sterling.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

## Notes to the Historical Financial Information (continued)

### Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflation economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

The following exchange rates were applied for £1 at each period end:

	<u>31 October 2013</u>	<u>31 October 2012</u>	<u>30 April 2013</u>	<u>30 April 2012</u>	<u>31 March 2011</u>
United States Dollars	1.60	1.61	1.62	1.55	1.63
Euros	1.17	1.24	1.19	1.23	1.14

### Retirement benefits

The Group operates a defined contribution scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the period to which they relate.

### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

### Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk to changes in value.

### Trade and other receivables

Trade receivables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash receipts over the expected credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

### Trade and other payables

Trade payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the expected payment period is not considered to be material.

### Financial assets

#### Classification

The Group classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting

## Notes to the Historical Financial Information (continued)

period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

### Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

### Share capital, share premium and shares to be issued.

Ordinary shares and A Preference shares are classified as equity. A Preference shares have been deemed equity as they are non-redeemable and do not pay a fixed dividend.

Share premium is the amount subscribed for share capital in excess of nominal value less any costs directly attributable to the issue of new shares.

Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

Shares to be issued represent money irrevocably received for new ordinary and A preference shares but that have not been legally issued as at period end.

### Share-based payments

The Group operates an equity-settled, share-based compensation plan, the Enterprise Management Incentive Plan. The Group granted equity settled share options to directors and employees in the period to 31 October 2013. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted calculated using an appropriate option pricing model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest.

### Net finance costs

#### Finance costs

Finance costs comprise interest payable on borrowings and direct issue costs.

#### Finance income

Finance income comprises interest receivable on funds invested. Interest income is recognised in the income statement as it accrues using the effective interest method.

### New standards, amendments and interpretations

Standards, amendments and interpretations effective and adopted by the Group:

IFRSs expected to be applicable, in so far as this is currently known, to the first annual financial statements of the Group, which will be for the year ended 30 April 2014, have been applied. The accounting policies adopted in the presentation of the historical financial information reflect the adoption of the following new standards as of 1 May 2012:

The following standards were adopted during the year:

- Annual improvements 2011 (effective 1 January 2013)

## Notes to the Historical Financial Information *(continued)*

The following new Standards, amendments and interpretations which are not effective or early adopted by the Group:

- IAS 19 (amended 2013), ‘Employee benefits’ (effective 1 July 2014)
- IAS 27 (amended 2012), ‘Separate financial statements’ (effective 1 January 2014)
- IAS 28 (revised 2011), ‘Investments in associates and joint ventures’ (effective 1 January 2014)
- IAS 32 (amendment), ‘Financial instruments – Presentation’ on asset and liability offsetting (effective 1 January 2014)
- IAS 36 (amendment), ‘Impairment of assets’ (effective 1 January 2014)
- IAS 39 (amendment), ‘Financial instruments: Recognition and measurement’ (effective 1 January 2014)
- IFRS 9 ‘Financial instruments’, on ‘Classification and measurement’ (effective 1 January 2018)
- IFRS 10 ‘Consolidated financial statements’ (effective 1 January 2014)
- IFRS 11 ‘Joint arrangements’ (effective 1 January 2014)
- IFRS 12 ‘Disclosure of interests in other entities’ (effective 1 January 2014)
- IFRS 13 ‘Fair value measurement’ (effective 1 January 2013)
- Annual improvements 2014 (effective 1 July 2013)

### **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting to the Board of Directors which has been identified as the Chief Operating Decision Maker. The Board of directors consists of the Executive Directors and the Non-Executive directors.

### **Critical accounting estimates and judgements**

The Group makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

Material estimates and assumptions are made in particular with regards to the following policy:

#### *(i) Share based payments*

In determining the share based payments expense, the Group makes an estimate of the fair value of the share options being granted. Details of the fair value are included in note 21.

## **3. SEGMENTAL REPORTING**

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Board of Directors is the chief operating decision maker in accordance with the requirements of IFRS 8 ‘Operating segments’.

The Board of Directors considers the business to be split into 2 operating segments based on geographical location: United Kingdom and United States of America. During the year ended 31 March 2011 all activity was attributable to the United Kingdom and has therefore not been detailed further below.

No single customer accounted for more than 10% of revenue in any of the financial periods presented and all revenue originates in the UK.

**Notes to the Historical Financial Information (continued)**

All segment revenue, loss before taxation, assets and liabilities are attributable to the principal activity of the Group being the provision of data analytics using a proprietary form and other related services.

	<b>6 month period ended 31 October 2013</b>		
	<b>UK</b>	<b>USA</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
Total revenue	1,019,630	—	1,019,630
Inter-segment revenue	—	—	—
Total revenue from external customers	1,019,630	—	1,019,630
<b>EBITDA</b>	(1,380,113)	(275,046)	(1,655,159)
Depreciation	(17,484)	—	(17,484)
Amortisation	(65)	—	(65)
Loss on disposal of fixed assets	—	—	—
Operating loss	(1,397,662)	(275,046)	(1,672,708)
Finance income	—	—	—
Finance cost	—	—	—
Loss before income tax	(1,397,662)	(275,046)	(1,672,708)
<b>Total assets</b>	644,163	—	644,163
<b>Total liabilities</b>	(1,389,964)	(275,046)	(1,389,964)
<b>Capital expenditure during the period</b>			
Intangible assets	9,582	—	9,582
Property, plant and equipment	19,103	—	19,103



Notes to the Historical Financial Information (*continued*)

4. EMPLOYEES AND DIRECTORS

	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
	£	£	£	£	£
Wages and salaries	1,063,740	779,577	1,734,716	1,446,304	1,064,722
Social security costs	136,322	93,128	189,911	166,666	120,720
Other pension costs	20,112	12,000	24,329	20,000	—
Share based payments	218,450	—	—	—	—
	<u>1,438,624</u>	<u>884,705</u>	<u>1,948,956</u>	<u>1,632,970</u>	<u>1,185,442</u>

The average monthly number of employees during the periods was as follows:

	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
Management	3	2	2	2	2
Research and Development	12	12	12	9	9
Sales and Marketing	20	16	18	12	9
	<u>35</u>	<u>30</u>	<u>32</u>	<u>23</u>	<u>20</u>

	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
	£	£	£	£	£
Directors' emoluments	176,683	224,811	449,797	516,081	417,944
Share based payments	61,000	—	—	—	—
Directors' pension contributions to money purchase schemes	12,000	12,000	24,000	20,000	—
	<u>176,683</u>	<u>224,811</u>	<u>449,797</u>	<u>516,081</u>	<u>417,944</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>—</u>
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In the period ended 30 April 2012, 2 directors exercised share options. The share options in 2012 were exercised at a price of £0.0686 per share (see note 21). No share options were exercised by directors in any other period.

Information regarding the highest paid director is as follows:

	6 Months Ended 31.10.13	6 Months Ended 31.10.12 (unaudited)	Year Ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
	£	£	£	£	£
Aggregate emoluments	<u>61,000</u>	<u>55,906</u>	<u>109,978</u>	<u>120,292</u>	<u>86,100</u>

**Notes to the Historical Financial Information (continued)**

There was no pension contributions in respect of the highest paid director.

The highest paid director exercised 111,120 share options in the year ended 30 April 2012 (see note 21). No share options were exercised by the highest paid director in any other period.

**5. NET FINANCE COSTS**

	<b>6 Months ended 31.10.13</b>	<b>6 Months ended 31.10.12 (unaudited)</b>	<b>Year ended 30.4.13</b>	<b>Period 1.4.11 to 30.4.12</b>	<b>Year ended 31.3.11</b>
	£	£	£	£	£
Finance income:					
Interest receivable	—	—	—	—	19
Finance costs:					
Bank interest	—	—	—	2,004	77
Net finance costs	—	—	—	2,004	58

**6. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging/(crediting):

	<b>6 Months ended 31.10.13</b>	<b>6 Months ended 31.10.12 (unaudited)</b>	<b>Year ended 30.4.13</b>	<b>Period 1.4.11 to 30.4.12</b>	<b>Year ended 31.3.11</b>
	£	£	£	£	£
Depreciation – owned assets	17,484	17,165	41,586	25,547	24,082
Loss on disposal of fixed assets	—	—	29,979	3,423	—
Research and development expenditure	272,598	253,456	530,244	626,153	424,055
Website development amortisation	65	86	171	228	299
Auditors' remuneration	10,000	10,000	20,000	5,800	5,500
Foreign exchange differences	—	3,512	(2,918)	4,191	7,615
Operating lease rentals	30,000	30,750	75,750	61,500	21,750

**7. INCOME TAX**

**Analysis of tax income**

	<b>6 Months ended 31.10.13</b>	<b>6 Months ended 31.10.12 (unaudited)</b>	<b>Year ended 30.4.13</b>	<b>Period 1.4.11 to 30.4.12</b>	<b>Year ended 31.3.11</b>
	£	£	£	£	£
<b>Total tax income</b>					
Current tax	—	—	(241,350)	(115,893)	(186,897)
Deferred tax (see note 15)	—	—	(2,206)	7,207	(2,493)
Total tax	—	—	(243,556)	(108,686)	(189,390)

**Factors affecting the tax charge**

The tax assessed for the year is lower (2012: lower, 2011: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

Notes to the Historical Financial Information (*continued*)

	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period 1.4.11 to 30.4.12	Year ended 31.3.11
	£	£	£	£	£
Loss on ordinary activities before tax	(1,672,708)	(676,215)	(1,673,270)	(734,156)	(724,325)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2012: 26%, 2011: 28%)	(401,450)	(175,816)	(401,585)	(190,881)	(202,811)
Effects of:					
Disallowable expenses	2,250	2,450	4,587	4,939	3,698
Research and development tax credits	—	—	(241,350)	(115,893)	(186,897)
Unrecognised deferred tax asset on losses	399,200	173,366	396,998	185,942	199,113
Deferred tax (note 15)	—	—	(2,206)	7,207	(2,493)
Total tax	—	—	(243,556)	(108,686)	(189,390)

At as 30 April 2013 the Group had an unrecognised deferred tax asset of £798,961 (2012: £401,963, 2011: £216,021) resulting from trading losses during the year and accumulated losses.

Finance Act 2012, which was substantively enacted on 3 July 2012, includes legislation reducing the main UK corporation tax rate from 26% to 24%, effective from 1 April 2012. A further reduction to 23% was also substantively enacted on this date and was effective from 1 April 2013. The deferred tax balances reflect this reduction.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce to 21% from 1 April 2014 and to 20% from 1 April 2015.

Notes to the Historical Financial Information (*continued*)

8. LOSS PER SHARE

	6 Months ended 31.10.13	6 Months ended 31.10.12 (unaudited)	Year ended 30.4.13	Period ended 30.4.12	Year ended 31.3.11
	£	£	£	£	£
Loss attributable to owners of the parent	1,672,708	676,215	1,429,714	625,470	534,935
Weighted average number of ordinary shares	3,199,073	3,199,073	3,199,073	2,976,833	2,958,663
Weighted average number of preference shares	1,365,782	1,365,782	1,365,782	983,307	805,891
	<u>4,564,855</u>	<u>4,564,855</u>	<u>4,564,855</u>	<u>3,960,140</u>	<u>3,764,554</u>
Loss attributable to ordinary shareholders	1,172,242	473,895	1,001,951	470,165	420,420
Loss attributable to preference shareholders	500,466	202,320	427,763	155,305	114,515
	<u>1,672,708</u>	<u>676,215</u>	<u>1,429,714</u>	<u>625,470</u>	<u>534,935</u>
	Pence	Pence	Pence	Pence	Pence
Basic loss per share: Ordinary shareholders	36.6	14.8	31.3	15.8	14.2
Basic loss per share: Preference shareholders	36.6	14.8	31.3	15.8	14.2
Diluted loss per share: Ordinary shareholders	36.6	14.8	31.3	15.8	14.2
Diluted loss per share: Preference shareholders	36.6	14.8	31.3	15.8	14.2

9. INTANGIBLE ASSETS

	31 October 2013	30 April 2013	30 April 2012	31 March 2011
	£	£	£	£
<b>COST</b>				
At start of period	3,500	3,500	3,500	3,500
Additions	9,582	—	—	—
	<u>13,082</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
<b>AMORTISATION</b>				
At start of period	2,981	2,810	2,582	2,283
Amortisation for period	65	171	228	299
	<u>3,046</u>	<u>2,981</u>	<u>2,810</u>	<u>2,582</u>
<b>NET BOOK VALUE</b>				
At end of period	<u>10,036</u>	<u>519</u>	<u>690</u>	<u>918</u>

The intangible asset is capitalised website development costs.

Notes to the Historical Financial Information (continued)

10. PROPERTY, PLANT AND EQUIPMENT

	31 October 2013	30 April 2013	30 April 2012	31 March 2011
	£	£	£	£
<b>COST</b>				
At start of period	90,673	80,391	45,800	62,392
Additions	19,103	69,534	53,743	7,316
Disposals	—	(59,252)	(19,152)	(23,908)
At end of period	109,776	90,673	80,391	45,800
<b>DEPRECIATION</b>				
At start of period	47,506	35,193	25,375	25,201
Charge for period	17,484	41,586	25,547	24,082
Eliminated on disposal	—	(29,273)	(15,729)	(23,908)
At end of period	64,990	47,506	35,193	25,375
<b>NET BOOK VALUE</b>				
At end of period	44,786	43,167	45,198	20,425

The property plant and equipment is Computer equipment.

11. INVESTMENTS

Principal subsidiary undertakings of the Company

The Company owns directly the whole of the issued and fully paid Ordinary share capital of its subsidiary undertakings. The principal undertakings of the Company at 31 October 2013 are presented below:

Subsidiary	Nature of business	Country of Incorporation	Cost	Proportion of Ordinary shares held by Company
Rosslyn Analytics, Inc.	Provision of data analytics using a proprietary form	USA	£620	100%

The share capital of \$1,000 has been converted at an exchange rate of £1:\$1.61.

12. TRADE AND OTHER RECEIVABLES

	31 October 2013	30 April 2013	30 April 2012	31 March 2011
	£	£	£	£
Amounts falling due within one year:				
Trade receivables due but not past due	55,647	179,776	149,323	169,526
Trade receivables past due	173,148	50,946	116,972	196,639
Impairment provision	(48,000)	(12,000)	—	—
Trade receivables – net	180,795	218,722	266,295	366,165
Other receivables	21,711	18,000	18,450	103,563
Prepayments and accrued revenue	180,436	177,959	145,773	112,439
	382,942	414,681	430,518	582,167

**Notes to the Historical Financial Information (continued)**

Included within the trade receivables past due above are amounts which are not impaired and aged as follows:

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
<b>Overdue by:</b>				
Up to 30 days	80,381	18,546	44,700	172,201
30 – 60 days	23,289	6,000	37,972	24,438
60 – 90 days	13,652	14,400	12,000	—
over 90 days	7,826	—	22,300	—
	<u>125,148</u>	<u>38,946</u>	<u>116,972</u>	<u>196,639</u>

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are considered past due once they have passed their contracted due date. Trade receivables are reviewed for impairment if they are past due beyond 90 days.

An analysis of the movement in the provision for impairment of trade receivables is as follows:

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
At start of period	12,000	—	—	—
Provision for receivables impairment	36,000	12,000	—	—
At end of period	<u>48,000</u>	<u>12,000</u>	<u>—</u>	<u>—</u>

The provision for impaired receivables has been included in administrative expenses.

The below represents trade receivables held in foreign currencies by the Group at the statement of financial position date:

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
United States Dollars	65,576	43,385	25,385	—
Euro	—	—	6,970	—
	<u>65,576</u>	<u>43,385</u>	<u>32,355</u>	<u>—</u>

**13. CASH AND CASH EQUIVALENTS**

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
Cash at bank	<u>206,369</u>	<u>77,221</u>	<u>1,068,387</u>	<u>111,034</u>

## Notes to the Historical Financial Information (continued)

The following amounts were held in foreign currencies by the Group at the statement of financial position date:

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
United States Dollars	7,208	65,631	6,942	—
Euro	15,673	253	18,739	—
	<u>22,881</u>	<u>65,884</u>	<u>25,681</u>	<u>—</u>

### 14. TRADE AND OTHER PAYABLES

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
Current:				
Trade payables	480,194	382,827	219,870	192,247
Social security and other taxes	49,123	349,714	433,240	135,505
Other payables	4,000	8,560	63,963	108,936
Accruals and deferred revenue	526,646	528,429	348,477	233,597
	<u>1,059,963</u>	<u>1,269,530</u>	<u>1,065,550</u>	<u>670,285</u>

Included within other payables at the 31 October 2013, is an amount of £4,000 (30 April 2013: £2,000, 30 April 2012: £2,000, 31 March 2011: £nil) due by the Group in relation to a defined contribution pension scheme.

Included with accruals and deferred revenue at 31 October 2013 is an amount of £404,165 (30 April 2013: £444,988, 30 April 2012: £333,631, 31 March 2011: £215,662) in relation to deferred revenue.

### 15. DEFERRED TAX

The movement in deferred tax for the Group is shown below:

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
Deferred tax liability at start of period	(5,001)	(7,207)	—	(2,493)
Accelerated capital allowances	—	2,206	(7,207)	2,493
Deferred tax liability at end of period	<u>(5,001)</u>	<u>(5,001)</u>	<u>(7,207)</u>	<u>—</u>

### 16. FINANCIAL LIABILITIES – BORROWINGS

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	£	£	£	£
Current:				
Other loans	325,000	325,000	—	—
	<u>325,000</u>	<u>325,000</u>	<u>—</u>	<u>—</u>

On 17 December 2012 the Group issued an unsecured convertible loan to IQ Capital Fund I LP. The Group received £325,000 in exchange for the holders having the option to convert the loan into A

## Notes to the Historical Financial Information (continued)

Preference shares after six months at a price of £2.196223 per share. The loan may be repaid before the conversion date, which would result in the conversion option lapsing.

The loan is interest free for the first six months and accrues interest at 5% thereafter until repaid or converted. The loan was converted into 147,981 shares during November 2013 at the above noted price.

There is no material difference between the fair value and the book value of the liability portion of the convertible loan.

The Directors have not split out the equity component of the convertible loan as it is not material.

### 17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31 October 2013	30 April 2013	30 April 2012	31 March 2011
Number:	Class:	Nominal value:	£	£	£	£
3,199,073	Ordinary shares	£0.0001	320	320	320	298
1,365,782	A Preference shares	£0.0001	137	137	137	98
			457	457	457	396
			457	457	457	396

The following fully paid shares were allotted during the year ended 31 March 2011 at a premium as shown below:

54,511 Ordinary shares of £0.0001 each at £1.1084175 per share.

532,248 A Preference shares of £0.0001 each at £1.1084175 per share.

The following fully paid shares were allotted during the period ended 30 April 2012 at a premium as shown below:

222,240 Ordinary shares of £0.0001 each at £0.0685 per share, as a result of the exercise of options as detailed in note 21.

382,475 A Preference shares of £0.0001 each at £2.745123 per share.

### SHARES TO BE ISSUED

At 31 October 2013, £1,541,585 (30 April 2013: £nil, 30 April 2012: nil, 31 March 2011, £nil) has been received to purchase ordinary shares (£694,995) and A preference shares (£846,590). The money received was irrevocably committed to purchase shares and as such the amount is included in Equity as Shares to be Issued. The issuance of the shares was completed post period end.

#### Post period end share issuance:

The following fully paid shares were allotted during November 2013 at a premium as shown below:

292,451 Ordinary shares of £0.0001 each at £3.056573 per share.

459,061 A Preference shares of £0.0001 each at £3.056573 per share.

147,981 A Preference shares were also converted at a premium of £2.196123 during November 2013 – see note 16.

The following fully paid shares were allotted during December 2013 at a premium as shown below:

5,000 A Preference shares of £0.0001 each at £3.056573 per share.

The following fully paid shares were allotted during January 2014 at a premium as shown below:

65,430 A Preference shares of £0.0001 each at £3.056573 per share.

The ordinary shares and the preference shares rank *pari passu* with respect to voting rights and rights to dividends. Subject to specific thresholds, the preference shares receive priority in the event of a distribution of surplus assets resulting from a liquidation or capital reduction and also in the event of certain trigger events such as an Initial Public Offering.

The preference shares are irredeemable.

**Notes to the Historical Financial Information (continued)**

**18. LEASING AGREEMENTS**

The minimum lease payments for the rental of office premises and equipment under non-cancellable operating leases falls as follows:

	<b>31 October 2013</b>	<b>31 October 2012 (unaudited)</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	60,000	60,000	60,000	30,750	61,500
Between one and five years	165,000	15,000	195,000	—	30,750
	<u>225,000</u>	<u>75,000</u>	<u>255,000</u>	<u>30,750</u>	<u>92,250</u>

**19. RELATED PARTY DISCLOSURES**

The Group has an interest free loan from Rosslyn Capital Ltd, a Company owned and controlled by C G L W Clark and H J G Cox, directors of the Company. Amounts due to related parties are interest free and repayable on demand. Amounts included within other payables due within one year due to Rosslyn Capital Ltd are shown below:

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due to Rosslyn Capital Ltd	—	—	61,963	107,797
	<u>—</u>	<u>—</u>	<u>61,963</u>	<u>107,797</u>

C G L W Clarke and H J G Cox have provided a limited guarantee in the sum of £25,000 each dated 10 April 2008 to Barclays Bank Plc on behalf of the Group in relation to banking facilities.

During the year, the Group paid IQ Capital Directors Nominees Limited, a director of the Company, for monthly management services provided as follows. The agreement was undertaken at arm's length.

	<b>31 October 2013</b>	<b>31 October 2012 (unaudited)</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fees payable	16,727	15,000	30,009	23,021	19,475
	<u>16,727</u>	<u>15,000</u>	<u>30,009</u>	<u>23,021</u>	<u>19,475</u>

The Group issued a convertible loan to IQ Capital Fund I LP, an investment fund under the same common control as IQ Capital Directors Nominees Limited, in December 2012 amounting to £325,000 (2012: £nil, 2011: £nil). Details of the loan can be found in note 16. The balance outstanding at each period end is as follows:

	<b>31 October 2013</b>	<b>30 April 2013</b>	<b>30 April 2012</b>	<b>31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amount outstanding	325,000	325,000	—	—
	<u>325,000</u>	<u>325,000</u>	<u>—</u>	<u>—</u>

**20. ULTIMATE CONTROLLING PARTY**

There was no ultimate controlling party as at 30 April 2012, 30 April 2013, 31 October 2012 or 31 October 2013.

**Notes to the Historical Financial Information (continued)**

**21. SHARE BASED PAYMENT TRANSACTIONS**

Details of the share based payment arrangement are described below:

<u>Type of arrangement</u>	<u>Enterprise Management Incentive Scheme</u>
Date granted	1 December 2009
Number granted	305,580
Contractual life	10 years
Number of employees in scheme	4
Vesting conditions	Subject to directors discretion.

**Enterprise Management Incentive Scheme Number of Stock Options**

	<u>31 October 2013</u>	<u>31 October 2012</u>	<u>30 April 2013</u>	<u>30 April 2012</u>	<u>30 March 2011</u>	<u>Weighted average exercise price</u>
						<b>£</b>
Outstanding at the start of the year	55,560	83,340	83,340	305,580	305,580	0.0686
Granted	—	—	—	—	—	—
Forfeited / cancelled	(55,560)	—	(27,780)	—	—	0.0686
Exercised	—	—	—	(222,240)	—	0.0686
Outstanding at the year end	—	83,340	55,560	83,340	305,580	0.0686

The weighted average exercise share price during all periods was £0.0686.

The options, all of which immediately vested at the date of grant in 2009, could be exercised on a trigger event, which includes Takeover, Sale or Admission, or at the discretion of the Board of Directors.

**Share options granted in the period to 31 October 2013**

In the 6 month period ending 31 October 2013, the Group granted a total of 141,649 share options as follows:

45,648 in July 2013. These vest quarterly over a 2 year service period to July 2015 or to the date of IPO, whichever is earlier. Post period end these options have been surrendered for 240,000 options in Rosslyn Data Technologies Plc and £50,000 cash salary.

56,000 in September 2013. No vesting conditions. Post period end these options have been surrendered for 448,000 options in Rosslyn Data Technologies Plc.

40,000 in September 2013. These vest over a 3 month service period to December 2013. Post period end these options have been surrendered for 320,000 options in Rosslyn Data Technologies Plc.

All share option surrendered for shares in Rosslyn Data Technologies Plc have been done on the basis of one share in Rosslyn Analytics Limited for eight shares in Rosslyn Data Technologies Plc.

All share options had an exercise price of £0.0686. The options were not issued at 31 October 2013 but the Directors consider the grant date to be the date of communication to the respective directors and employees. The share options have been issued post period end.

The Directors have valued the options at £3.05 per share and this is based on the price paid by third parties purchasing shares in the Group. All options granted in the 6 month period to 31 October 2013 are outstanding at the period ended 31 October 2013.

**22. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including currency and cash flow interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific

## Notes to the Historical Financial Information (*continued*)

financial risks to which it is exposed. Transactions are only undertaken if they relate to actual underlying exposures and hence cannot be viewed as speculative.

### (a) Market risk

#### (i) Foreign exchange risk

The Group operates in the UK, Europe and US and is therefore exposed to foreign exchange risk. Foreign exchange risk arises on sales and purchases made in foreign currencies and on recognised assets and liabilities in foreign operations.

The Group monitors its exposure to currency fluctuations on an ongoing basis. The Group uses foreign currency bank accounts to reduce its exposure to foreign currency translation risk. However, at the stage in its development the exposure is minimal.

#### (ii) Interest rate risk

Other than the Company's £25,000 overdraft facility, there were no instruments exposed to floating rates.

### (b) Credit risk

The Group has no concentrations of credit risk. The Group's business model is based on upfront invoicing. Whilst this does not totally eliminate credit risk, it greatly reduces it. The Group also conducts credit checks for new customers using external agencies and sets limits on the amount of credit given to each customer. This combined with the fact that a significant portion of the Group's customers are blue chip organisations reduces exposure to credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any material losses from non-performance by these counterparties. Management believe there is no further credit risk provision required in excess of normal provision for doubtful receivables.

### (c) Liquidity risk

Cash flow forecasting is performed by management who monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

To provide additional flexibility, the Group has a £25,000 overdraft facility. Interest on this facility is charged at base rate plus 9.0%. This is considered by management to provide adequate flexibility given the current liquidity of the business.

During the year ended 30 April 2013 IQ Capital Fund I LP, a Cambridge based VC investor, supported the company with a further £325,000 convertible loan. This was converted into 'A' Preference Shares in November 2013 (see note 16).

### (d) Capital risk management

The aim of the Group is to maintain sufficient funds to ensure it has adequate working capital to conduct its business operations. It achieves this by either borrowing or raising equity capital from shareholders.

The Group considers its capital to consist of share capital, share premium accumulated losses and borrowings. The Group does not have any externally imposed capital requirements.

Cash and cash equivalents are held with reputable institutions. All material cash amounts are deposited with the Group's bankers who are Barclays Bank plc and HSBC N.A. USA.

## 23. POST BALANCE SHEET EVENTS

On 23 April 2014, an entity called Rosslyn Data Technologies Limited, which was incorporated on 7 February 2014, acquired Rosslyn Analytics Limited via a share for share exchange whereby every ordinary share and A preference share in Rosslyn Analytics Limited was exchanged for 8 ordinary shares and 8 A preference shares respectively in Rosslyn Data Technologies Limited.

### **SECTION C: ROSSLYN DATA TECHNOLOGIES PLC**

Rosslyn Data Technologies plc was incorporated on 7 February 2014 under the Companies Act 2006 with a financial year end of 30 April.

Since the date of its incorporation, Rosslyn Data Technologies plc has not yet commenced operations and it has no material assets or liabilities, and therefore no financial statements have been prepared as at the date of this document, and no separate historical financial information on Rosslyn Data Technologies plc is presented in this document.

Refer to paragraph 15.1 of Part IV of this document for details on the share exchange pursuant to which Rosslyn Data Technologies plc acquired the entire issued share capital of RAL.

## PART IV

### ADDITIONAL INFORMATION

#### 1 RESPONSIBILITY STATEMENT

The Company and the Directors (whose names appear on page 9 of this document) accept responsibility for the information contained in this document. To the best of their knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2 INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 7 February 2014 as a private company under the Act with the name Rosslyn Data Technologies Ltd and with the registered number 08882249.
- 2.2 On 24 April 2014, by special resolution of the Company passed on 23 April 2014, the Company was re-registered as a public company limited by shares with the name Rosslyn Data Technologies plc.
- 2.3 The Company's registered office and principal place of business, and the business address of each Director, is at 25 Eccleston Place, London, United Kingdom, SW1W 9NF. The Company's telephone number is +44 (0)20 3285 8008.
- 2.4 The Company's legal and commercial name at the date of this document is Rosslyn Data Technologies plc. The Company is domiciled in England and Wales.
- 2.5 The principal legislation under which the Company operates is the Act.

#### 3 THE COMPANY AND ITS SUBSIDIARIES

The Company, which is the ultimate holding company of the Group, has the following directly or indirectly held subsidiaries:

<u>Name</u>	<u>Country of registration or incorporation</u>	<u>Principal activity</u>	<u>Shareholder</u>	<u>Proportion of issued share capital and voting rights held</u>
Rosslyn Analytics Limited	England and Wales	Business analytics software provider	the Company	100 per cent.
Rosslyn Analytics, Inc	State of Delaware, U.S.	Business analytics software provider	Rosslyn Analytics Limited	100 per cent.

#### 4 SHARE CAPITAL OF THE COMPANY

- 4.1 The Company was incorporated with a share capital of 1 ordinary share of £0.01 which was issued fully paid upon incorporation to the subscriber to the Memorandum.
- 4.2 By ordinary resolution dated 8 April 2014, the ordinary shares of £0.01 each in the capital of the Company were each sub-divided into two ordinary shares of £0.005 each.
- 4.3 By ordinary and special resolutions dated 23 April 2014, the Directors were authorised, until 31 May 2014, to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company, pursuant to the Share Exchange Agreement, up to a maximum aggregate nominal amount of £225,513.91.
- 4.4 On 23 April 2014, 28,756,752 Ordinary Shares and 16,346,032 A Preference Shares were allotted as consideration to holders of shares in RAL pursuant to the Share Exchange Agreement. Further details of the Share Exchange Agreement are contained in paragraph 15.1 of this Part IV.

4.5 By ordinary and special resolutions dated 24 April 2014:

- (a) the Directors were authorised in accordance with section 551 of the Act, until 31 May, to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £158,195.15, provided that such authority was limited:
- (i) the allotment and issue of up to a maximum of 30,303,030 Ordinary Shares in connection with the Placing; and
  - (ii) the grant of options over 1,136,000 Ordinary Shares in connection with the award of options as detailed in paragraph 17 of Part I of this document and the issue of shares pursuant thereto; and
  - (iii) the grant of a warrant to subscribe for 200,000 Ordinary Shares in connection with the warrant described at paragraph 4.15 of Part IV of this document and the issue of shares pursuant thereto;
- (b) the Directors were authorised pursuant to section 570 of the Act to allot equity securities for cash pursuant to the authority referred to at paragraph 4.5(a) above, as if section 561(1) of the Act did not apply to such allotments;
- (c) subject to and conditional on Admission, the directors were authorised, until the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution, in accordance with section 551 of the Act, in addition to authority given to directors referred to at paragraph 4.5(a) above, to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £125,676.36;
- (d) subject to and conditional on Admission, the Directors were authorised, until the Company's next annual general meeting or, if earlier, 15 months from the date of the resolution, pursuant to section 570 of the Act to allot equity securities for cash pursuant to the authority referred to at paragraph 4.5(c) above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Act, in each case as if section 561(1) of the Act did not apply to such allotments, provided that such authority was limited to:
- (i) the allotment of equity securities in connection with an offer of equity securities:
    - (A) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and
    - (B) to the holders of other equity securities as required by the rights of those securities or, subject to such rights, as the directors of the Company otherwise consider necessary,and so that the directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
  - (ii) the allotment/and or sale of equity securities (otherwise than pursuant to paragraph 4.6(d)(i) above) of equity securities up to an aggregate nominal value of £37,702.91;
- (e) subject to and conditional on Admission, the Company was authorised, until its next annual general meeting or, if earlier, 15 months from the date of the resolution, to make market purchases of Ordinary Shares provided that (i) the maximum aggregate number of Ordinary Shares that may be purchased is 7,540,581; (ii) the minimum price which may be paid for each Ordinary Share is £0.005; and (iii) the maximum price which may be paid for each Ordinary Share is the higher of (A) 105 per cent. of the average middle market value of an Ordinary Share for the five business days prior to the day on which the purchase is made and (B) the higher of the price of the last independent trade and the higher current independent bid for Ordinary Shares on the trading venue where the purchase is carried out.

4.6 As at 23 April 2014 (being the latest practicable date prior to the date of this document) the issued share capital of the Company is:

<u>Class of shares</u>	<u>Number</u>	<u>Aggregate Nominal value</u>
Ordinary Shares	28,756,752	£143,783.76
A Preference Shares	16,346,032	£81,730.16
<b>Total</b>	<b>45,102,784</b>	<b>£225,513.92</b>

4.7 By special resolutions dated 24 April 2014, conditional upon, and with effect from immediately prior to, Admission:

- (a) the Articles were adopted as the articles of association of the Company in substitution for its existing articles of association; and
- (b) each of the 16,346,032 A Preference Shares in issue was re-designated as an Ordinary Share.

4.8 The issued share capital of the Company upon re-designation of the A Preference Shares pursuant to the resolution referred to in paragraph 4.7(b) of this Part IV and immediately prior to Admission will be:

<u>Class of shares</u>	<u>Number</u>	<u>Aggregate Nominal value</u>
Ordinary Shares	45,102,784	£225,513.92

4.9 The proposed issue of the New Shares pursuant to the Placing will be carried out pursuant to the authorities referred to in paragraph 4.5 of this Part IV.

4.10 The issued share capital of the Company immediately following Admission (assuming the Placing is fully subscribed) will be:

<u>Class of shares</u>	<u>Number</u>	<u>Aggregate Nominal value</u>
Ordinary Shares	75,405,814	£377,029.07

4.11 No Ordinary Shares are currently held in treasury by the Company or held by any other person on its behalf and no Ordinary Shares are currently held by any subsidiary of the Company.

4.12 On Admission there will be a total of 1,136,000 options to subscribe for Ordinary Shares outstanding as follows:

<u>Option holder</u>	<u>Number of options over Ordinary Shares</u>	<u>Exercise Price per Ordinary Share</u>
Francis Reid	320,000	£0.008575
John O'Hara	240,000	£0.01
UK employees of the Group	392,000	£0.008575
UK employees of the Group	120,000	Placing Price
US employees of the Group	56,000	£0.008575
US employees of the Group	8,000	Placing Price

4.13 The Company has agreed to grant options to two new employees under the Scheme over Ordinary Shares having an aggregate value of £50,000 on terms yet to be determined.

4.14 The Company has granted a warrant to subscribe for 200,000 Ordinary Shares to Terence Cocks (father of Hugh Cox) at an exercise price per share of 38.208425 pence per share.

4.15 Save as disclosed in this paragraph 4 of this Part IV, the Company has not issued any partly paid shares, convertible securities, exchangeable securities or securities with warrants and on Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.

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

4.17 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

- 4.18 Save as disclosed in this document, there has been no issue of share or loan capital of the Company in the three years immediately preceding the date of this document and (other than pursuant to the Placing or on the exercise of the options to be issued under the Scheme and other share option arrangements referred to in this paragraph 4 and paragraph 6 of this Part IV) no such issues are proposed.
- 4.19 Options over 111,120 ordinary shares of £0.0001 each in the capital of RAL were awarded to Jeffrey Sweetman on 1 December 2009 at an exercise price of 6.86 pence. All 111,120 of such options were exercised on 20 April 2012.
- 4.20 Options over 194,460 ordinary shares of £0.0001 each in the capital of RAL were awarded to employees of RAL on 1 December 2009 at an exercise price of 6.86 pence. 111,120 of such options were exercised on 20 April 2012, 27,780 of such options lapsed on 16 December 2012 and the remaining 55,560 of such options lapsed on 24 April 2013.
- 4.21 Save as disclosed in paragraph 17 of Part I and paragraphs 4.19, 4.20 and 6 of this Part IV, no commissions, discounts, brokerages or other special terms have been granted by the Company or any other member of the Group in connection with the issue or sale of any share or loan capital of the Company or any other member of the Group in the three years immediately preceding the date of this document.
- 4.22 Other than pursuant to the Placing, none of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for Admission.
- 4.23 The primary legislation under which the Ordinary Shares were created is the Act. The Ordinary Shares will be in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of any class of shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). The Registrar is in charge of maintaining the Company's register of members. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares not to be held through CREST will be posted to allottees by first class post by 6 May 2014. Ordinary shares to be held through CREST will be credited to CREST accounts on Admission. The currency of the issue is in pounds sterling.

## **5 CAPITALISATION OF RAL AND RAL CAPITAL REDUCTION**

- 5.1 Following Admission, the Directors intend that the majority of the net proceeds of the Placing, which are estimated to be £8.7 million (assuming the Placing is fully subscribed), will be applied in the subscription by the Company ordinary shares of £0.0001 in the capital of RAL. The Group will then use the net proceeds of the Placing in the manner described in paragraph 12 of Part I of this document.
- 5.2 Immediately following the subscription for shares referred to at paragraph 5.1 of this Part IV, the Directors intend that the Company, as the sole shareholder of RAL, will resolve by special resolution supported by a solvency statement of the directors of RAL, in accordance with the procedure set out in section 641(1)(a) of the Act, that the entire amount of the share premium account of RAL be cancelled, and the amount of the share premium account so cancelled shall be credited to a reserve.

## **6 SHARE OPTIONS**

### **6.1 Options and the Scheme**

The rules of the Scheme (the “**Rules**”) are documented in the Rosslyn Data Technologies plc Enterprise Management Incentive Share Option Plan. The Rules also provide for the Company to grant options that are not qualifying options for the Enterprise Management Incentive legislation (“**non-EMI options**”). Set out below is a summary of the main elements of these rules.

### **6.2 General**

Options under the Scheme that are intended to be qualifying options under the Enterprise Management Incentive legislation can only be granted to those persons who are classed as “eligible employees” under this legislation and includes any *bona fide* employee of the Company who satisfies the requirement as to commitment of working time by spending 25 hours per week (or, if less, 75 per cent. of his working time) on the business of the Group and satisfies the ‘no

material interest' requirement which means the person either alone or together with a related party does not have a material interest in the Company which broadly means more than 30 per cent. of the share capital of the Company.

The Company can grant non-EMI options to any employee it chooses.

### **6.3 Administration**

The plan is administered by the Board acting on behalf of the Company. The Board may make and vary such regulations as they think fit. In the event of any dispute or disagreement the decision of the Board is final and binding.

### **6.4 Grant of Options**

The Board has absolute discretion as to the selection of persons to whom an option is granted. The Company may grant options at any time but may only grant an EMI option to a qualifying employee and shall not grant an EMI option to any other person.

The grant of an option is effected by the Company entering into an option agreement containing information which specifies *inter alia* the date of the grant, the number of shares in respect of which the option is granted, the exercise price, the basis on which the options vest, confirmation the grantee agrees to indemnify the Company in respect of any option tax liabilities it may suffer and whether or not the option will lapse on the occurrence of a sale.

### **6.5 Relationship of the plan to employment or engagement**

The Rules provide:

- (a) the grant of an option does not form part of the grantee's entitlement to remuneration or benefits pursuant to the grantee's contract of employment or contract for services (if any). The grant of an option shall not afford the grantee any rights or additional rights to compensation or damages; and
- (b) that neither the grant nor any benefit which may accrue shall form part of that grantee's pensionable remuneration for the purposes of any pension scheme.

### **6.6 Non-Transferability of Option**

An option may only be exercised by the individual grantee (or by his personal representatives in the case of death). Any attempts to transfer or assign an option shall result in the immediate lapse of the option.

### **6.7 Exercise of Options**

An option may not be exercised later than midnight on the day preceding the tenth anniversary of the date of grant or such earlier time as permitted by the Rules.

In relation to each option the Board determines at the date of grant the basis upon which the option shall vest and may be conditional on things such as the Company's performance.

An option agreement may provide that if an option vests in respect of some or all of the shares and the shares are not exercised within a specified period then the option shall lapse and cease to be exercisable.

If in consequence of a performance related event an option becomes vested in some but not all of the shares over which it subsists, but the option does not and cannot vest for the remaining shares, then the option shall lapse with regards the balance of shares but will not lapse in respect of such shares to which the performance related condition does not relate.

If a performance related condition must be satisfied by a particular date, the option shall lapse after midnight on that date if not satisfied. The Board shall determine whether a performance condition has been satisfied.

If a grantee ceases to be an employee then any subsisting option held by him shall cease to be exercisable on the date of such cessation, save that if, within three months of the date of cessation the Board determines that such option may be exercised then the grantee may, exercise it within such time as specified by the Board.

Exercise after any person obtains control of the Company can take place during the period of six weeks after the person obtains such control to the extent any exercise conditions have been met by the grantee of the option.

If the Board considers a sale is imminent, they may direct that a grantee may exercise a subsisting option, to the extent any exercise conditions have been met within a reasonable period to be specified by the Board.

Following a listing, the grantee shall not exercise the option in breach of the AIM rules or the Model Code.

#### **6.8 Manner of Exercise of Options**

Any subsisting option which is exercisable may be exercised in whole or in part. An option shall be exercised only by the grantee serving a written notice upon the Company specifying the number of shares over which the option is granted and is accompanied by the necessary payment, option certificate, signed grantee documentation and payment of the option tax liability. Within 30 days of the applicable conditions being satisfied the Company shall allot and issue the grantee the shares specified in the notice.

If the shares are listed at the time of exercise the Company shall apply to the exchange or market for such shares to be admitted.

#### **6.9 Overall Limit on the granting of Options**

A qualifying EMI option may not be granted to a qualifying employee if it would cause the aggregate market value of the shares subject to all qualifying EMI options and any option granted under a scheme approved under Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 held by that employee to exceed £250,000.

A qualifying EMI option may not be granted if as a result of such grant the aggregate market value of the shares subject to all qualifying EMI options would exceed £3,000,000 or the gross assets of the Group exceed £30 million.

The total number of shares in respect of which options may be granted shall not exceed ten per cent. of the then issued share capital of the Company from time to time.

Where a qualifying employee has been cumulatively granted EMI options with an aggregate market value equal to or greater than £250,000, any further option granted within three years is to be treated as a non-EMI option.

#### **6.10 Tax Indemnity**

Any "option tax liability" (which is any tax liability of a grantor company arising from the grant or exercise of the options or whether such options qualify for the Enterprise Management Incentive legislation or not) is the responsibility of the grantee and the grantee agrees to indemnify the Company in respect of such, which includes employers' National Insurance, liability (howsoever arising).

#### **6.11 Variation of share capital**

In the event of any variation of the share capital of the Company (whether that variation is a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise) which affects (or may affect) the value of options to option holders, the Board may adjust the number and description of shares subject to each option and/or the exercise price of each option in a manner which the Board, in its reasonable opinion, considers to be fair and appropriate.

#### **6.12 Alteration of the Share Option Scheme**

The Board may alter the Rules provided no alteration to the Rules will affect any option granted prior to the date of such alteration except with the consent of the grantee.

#### **6.13 Miscellaneous**

The Company shall keep available sufficient authorised but unissued Ordinary Shares to enable it to satisfy the exercise in full of all options to subscribe for shares. The plan shall terminate on the tenth anniversary of its date of adoption and may be terminated at any time before that

by the Board but in either case the then existing rights and liabilities of the grantees shall not be affected. The existence of any option shall not affect the right or power of the Company or its shareholders to carry on business in any particular way.

**The above summary of the principal terms of the share incentive arrangements does not form part of the Rules and should not be taken as affecting the interpretation of the detailed terms and conditions. The Board reserves the right to make amendments and any additions to the Rules that it considers necessary or appropriate, provided that any amendment may not conflict in any material respect with the above summary.**

## 7 DIRECTORS' INTERESTS

7.1 The interests of the Directors and their respective immediate families and Connected Persons, all of which are beneficial, in the Ordinary Shares and A Preference Shares (which will be re-designated as Ordinary Shares immediately prior to Admission pursuant to the special resolution described at paragraph 4.8(b) of this Part IV) as at 23 April 2014 (being the latest practicable business day prior to the date of this document), and in the Ordinary Shares at Admission (assuming the Placing is fully subscribed) are and will be as follows:

Director	Number of Ordinary Shares	Number of A Preference Shares	Percentage of issued share capital and voting rights	Number of Ordinary Shares in respect of which options or warrants granted
Charles Clark	9,598,848 <sup>1</sup>	0	21.28	0
Hugh Cox <sup>2</sup>	9,516,944	728,520	22.72	200,000 <sup>3</sup>
John O'Hara	52,040	868,512 <sup>4</sup>	2.04	240,000
Francis Reid	0	0	0	320,000
Edward Stacey <sup>5</sup>	232,536	10,830,176	24.53	0
Jeffrey Sweetman	1,297,720 <sup>6</sup>	55,040	3.00	0

1 of which 65,432 Ordinary Shares are held by Guy Clark, father of Charles Clark, and 52,344 are held by Thomas Clark, brother of Charles Clark.

2 of which all 728,520 A Preference Shares and 35,782 Ordinary Shares are held by Terence Cocks, father of Hugh Cox.

3 warrant over 200,000 Ordinary Shares granted to Terence Cocks, father of Hugh Cox.

4 of which 130,864 A Preference Shares and 20,816 Ordinary Shares are held by Sippchoice Trustees Limited as trustee of John O'Hara's self-invested personal pension.

5 of which all 10,830,176 A Preference Shares and 232,536 Ordinary Shares are held by IQ Capital Fund I LP, a Connected Person of Edward Stacey.

6 of which 888,960 Ordinary Shares are held by the trustees of the Jeffrey Sweetman Discretionary Trust Fund, a Connected Person of Jeffrey Sweetman.

### *On Admission (assuming the Placing is fully subscribed)*

Director	Number of Ordinary Shares	Percentage of issued share capital and voting rights	Number of Ordinary Shares in respect of which options or warrants granted	Percentage of fully diluted share capital (assuming exercise in full of all outstanding options and warrants over Ordinary Shares)
Charles Clark	9,598,848 <sup>1</sup>	12.73	0	12.51
Hugh Cox	10,245,464 <sup>2</sup>	13.59	200,000 <sup>3</sup>	13.62
John O'Hara	920,552 <sup>4</sup>	1.22	240,000	1.51
Francis Reid	75,757	0.10	320,000	0.52
Edward Stacey	11,062,712 <sup>5</sup>	14.67	0	14.42
Jeffrey Sweetman	1,352,760 <sup>6</sup>	1.79	0	1.76
Barney Quinn	30,303	0.04	0	0.04

1 of which 65,432 Ordinary Shares will be held by Guy Clark, father of Charles Clark, and 52,344 will be held by Thomas Clark, brother of Charles Clark.

2 of which 764,392 Ordinary Shares will be held by Terence Cocks, father of Hugh Cox.

3 warrant over 200,000 Ordinary Shares granted to Terence Cocks, father of Hugh Cox.

4 of which 151,680 Ordinary Shares will be held by Sippchoice Trustees Limited as trustee of John O'Hara's self-invested personal pension.

5 all 11,062,712 of which Ordinary Shares are held by IQ Capital Fund I LP, a Connected Person of Edward Stacey.

6 of which 888,960 Ordinary Shares will be held by the trustees of the Jeffrey Sweetman Discretionary Trust Fund, a Connected Person of Jeffrey Sweetman.

- 7.2 Save as disclosed in this document, no Director, nor any member of their families or Connected Person has, or will, immediately following Admission, have any interest in Ordinary Shares or any Related Financial Product (as defined in the AIM Rules) referenced to Ordinary Shares.
- 7.3 Save as disclosed in this document, no Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Group and which were effected by any member of the Group in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.
- 7.4 Other than the directorships of companies in the Group, the Directors currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships:

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Previous directorships/partnerships</b>
Charles Clark	Rosslyn Capital Limited	Ardgowan Developments Limited SeaDragon Offshore Ltd
Hugh Cox	Rosslyn Capital Limited	None
John O'Hara	None	Pitney Bowes Mapinfo Business Applications Limited Pitney Bowes Mapinfo Scotland Limited Pitney Bowes Software Holdings Limited Pitney Bowes Software Limited Encom Europe Limited Pitney Bowes Software Europe Limited Portrait Software Limited AIT Quest Trustee Limited Portrait Software International Limited Portrait Software UK Limited Quadstone Paramics Limited Quadstone Trustee Company Limited Pitney Bowes, Inc Encom Holdings Pty Limited Encom Petroleum Information Pty Limited Encom Technology Pty Limited ERSIS Australia Pty Limited Mann & Mann Pty Limited Meridian GIS Pty Limited Meridian Spatial Pty Limited Pitney Bowes Mapinfo GDC Limited Pitney Bowes Software Canada, Inc. Pitney Bowes Software, Inc. Pitney Bowes Software Pty Ltd. Pitney Bowes Software Latin America, Inc. Pitney Bowes Software SAS Pitney Bowes Software GmbH Pitney Bowes Software Europe GmbH Portrait International, Inc. Portrait Million Handshakes A.S.

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Previous directorships/partnerships</b>
Francis Reid	Albatross Aviation Limited Kor Strategies Limited East River Consultancy Limited	Polkerton Pictures Limited SeaDragon Offshore Ltd
Edward Stacey	IQ Capital Partners LLP GEIF Ventures Limited IQ Capital Partners GP Limited IQ Founder Partner (GP) Limited IQ Capital Custodian Limited IQ Founder Partner (GP) II Limited	Concept Dynamics Limited
Jeffrey Sweetman	Airbeem Limited	None
Barney Quinn	Wasp Management Software Limited	Becrypt Limited Workplace Systems International Limited Workplace Systems Limited Workplace Group Limited Workplace Software Limited QBM Limited Shoo 535 Limited

- 7.5 Charles Clark and Hugh Cox were each directors of TRAC Operations Limited, Emptorius Limited and Enigma Information Systems Limited from 14 July 2004 until their resignation on 6 January 2005. Charles and Hugh were recruited by the owners of these companies and appointed as directors of these companies in an attempt to reverse their performance. The directors of these companies appointed administrators on 2 December 2004, and the administrators subsequently petitioned for the compulsory winding up of each of these companies, which was granted on 13 June 2007. In respect of Emptorius Limited the administrators realised assets of £90,735.76 in aggregate and received claims from creditors in the aggregate amount of £18,276. In respect of Enigma Information Systems Limited the administrators realised assets of £47,192.54 and received claims from creditors in the aggregate amount of £1,846,338. In respect of TRAC Operations Limited the administrators realised assets of £43,543.22 and received claims from creditors in the aggregate amount of £2,335,643.
- 7.6 Edward Stacey was a director of Venture Technologies Ltd, a company performing fund management advisory services, from 24 March 1998. Venture Technologies Ltd. entered creditors' voluntary liquidation on 9 July 2001 and was dissolved on 8 August 2003. The deficiency to creditors was £12,595 (inclusive of VAT payable).
- 7.7 Save as disclosed in this document, none of the Directors:
- has any unspent convictions in relation to indictable offences;
  - has been the subject of any public criticism by any statutory or regulatory authority (including a recognised professional body);
  - has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors;
  - has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement nor in that time have the assets of any such partnership been the subject of a receivership;
  - is or has been bankrupt nor been the subject of any form of individual voluntary arrangement;
  - has had any asset become the subject of a receivership at any time; or
  - is or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

- 7.8 Save as disclosed in this document, there are no outstanding loans or guarantees provided by any member of the Group for the benefit of any of the Directors nor are there any loans or any guarantees provided by any of the Directors for any member of the Group.
- 7.9 Save as disclosed in this document, there are no actual or potential conflicts of interest between the duties of the Directors to the Company and their respective private interests or other duties.

## 8 MAJOR INTERESTS

- 8.1 So far as is known to the Company, the persons, other than the Directors referred to in paragraph 7.1 of this Part IV, who hold or who are deemed to hold three per cent. or more of the Ordinary Shares and A Preference Shares (which will be re-designated as Ordinary Shares immediately prior to Admission pursuant to the special resolution described at paragraph 4.8(b) of this Part IV) in issue (whether directly or indirectly or through direct or indirect holdings of financial instruments or through a combination of such holdings) as at 23 April 2014 (being the latest practicable business day prior to the date of this document), and in the Ordinary Shares at Admission (assuming the Placing is fully subscribed) are and will be as follows:

Shareholder	Number of Ordinary Shares	Number of A Preference Shares	Percentage of issued share capital and voting rights	Number of Ordinary Shares under option
IQ Capital Fund I LP	232,536	10,830,176	24.53	0
James Curtis-Pond	3,305,392	0	7.47	0
Roger Bullen	1,500,000	0	3.39	0

*On Admission (assuming the Placing is fully subscribed)*

Shareholder	Number of Ordinary Shares	Percentage of issued share capital and voting rights
IQ Capital Fund I LP	11,062,712	14.67%
Standard Life Bank plc	4,848,400	6.43%
Hargreave Hale Limited	4,545,400	6.03%
Miton Asset Management Limited	4,242,346	5.63%
Artemis Fund Managers Limited	2,575,000	3.41%
James Curtis-Pond	2,547,816	3.38%
Killik and Co LLP	2,272,727	3.01%

- 8.2 Save as disclosed in paragraphs 7.1 and 8.1 of this Part IV, the Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 8.3 All Shareholders have the same voting rights in respect of the Ordinary Shares held by them.

## 9 ARTICLES OF ASSOCIATION

The Articles were adopted conditional upon, and with effect from immediately prior to, Admission pursuant to a special resolution of the Company passed on 24 April 2014 and contain (among others) provisions to the following effect:

### 9.1 Objects

The Articles do not impose any restriction on the objects of the Company and, in accordance with section 31 of the Act the Company's objects are therefore unrestricted.

### 9.2 Liability of Members

The liability of the members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.

### **9.3 Voting Rights**

Subject to any rights or restrictions as to voting attached to any shares or any class of shares and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting:

- (a) on a show of hands every member who is present in person and every proxy present who has been duly appointed by a member entitled to vote on the resolution shall have one vote; and
- (b) on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

For the purposes of determining which persons may attend and vote at a general meeting and the number of votes which each such person may cast, the Company may specify in the notice of meeting a time by which persons must be entered on the register of members in order to be entitled to attend and vote at the meeting. This time must not be more than 48 hours (excluding non-working days) before the time appointed for the commencement of the meeting. Changes to the register of members after the time so specified shall be disregarded in determining the rights of any person to attend and vote at the meeting.

The Company shall not be entitled to exercise any voting rights, whether on a show of hands or on a poll, in respect of any shares held by it as treasury shares.

In the case of joint holders of a share, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the joint holders stand in the register of members.

### **9.4 Variation of Rights**

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles (but not otherwise).

### **9.5 Changes in Capital**

Any resolution authorising the Company to sub-divide its shares or any of them may determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others. Where members become entitled to fractions of a share the directors may deal with such fractions as they see fit. Subject to the rights of any shares for the time being in issue, any share may be issued with or have attached thereto such preferred, deferred or other special rights or privileges or restrictions as the Company may from time to time by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the directors may determine.

### **9.6 Redemption**

Subject to the Act and to any rights conferred on the holders of any shares or any class of shares, any shares may be issued on the terms that they are redeemed or are to be liable to be redeemed at the option of the Company or the holder. The Board may determine the terms, conditions and manner of redemption of any redeemable shares which are issued.

### **9.7 Share Certificates**

Every member on becoming the holder of any certificated share (except a recognised person in respect of whom the Company is not by law required to issue a certificate) whose name is entered on the Company's register of members as a holder of any certificated shares is entitled, without payment, to one certificate in respect of all shares of any class held by him.

## **9.8 Transfer of Shares**

Each member may transfer all or any of his shares, in the case of certificated shares, in writing in any usual or common form or in any form approved by the board, or, in the case of uncertificated shares, without a written instrument in accordance with the CREST Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect of it.

The Board may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, in the case if a class of shares which has been admitted to AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may also refuse to register the transfer of a certificated share if:

- (a) the transfer is in respect of more than one class of share;
- (b) the transfer is in favour of more than four persons jointly;
- (c) the transfer is not duly signed, stamped or is not duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty;
- (d) the transfer is lodged at the place where the register is situated (or such other place as the Board may appoint); or
- (e) except in the case of a transfer by a financial institution (within the meaning of section 778 of the Act) to whom a certificate has not been issued, the transfer is not accompanied by the certificate(s) for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is signed by some other person on his behalf, the authority of that person to do so).

The Board may also refuse to register the transfer of an uncertificated share:

- (a) in the circumstances set out in the uncertificated securities rules; or
- (b) if the transfer is in favour of more than four persons jointly.

If the Board refuses to register a transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company in the case of certified shares, or received in accordance with the CREST Regulations, send notice of the refusal to the transferee together with its reasons for the refusal.

## **9.9 Call Forfeiture and Lien**

The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares, (whether in respect of nominal value or premium). Each member shall (subject to being given at least 14 clear days' notice specifying where and when payment is to be made) pay to the Company the specified amount called on his shares. If any call or instalment of a call remains unpaid on or after the due date for payment, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at a fixed rate, fixed by the terms of the allotment of the share or in the notice of call or if no rate is fixed, the rate determined by the Board not exceeding the Bank of England base rate by more than five per cent. per annum. The Board may also (on giving not less than 14 days' clear notice requiring payment of the amount unpaid together with interest and costs incurred) forfeit the shares by resolution of the Board. The forfeiture shall include all dividends or moneys payable in respect of the forfeited share. The share may be sold, re-allotted or otherwise disposed of by the Board in such manner as it determines.

The Company shall have a first and paramount lien on every share which is not a fully-paid share, for all amounts payable to the Company (whether presently payable or not) in respect of such share. The Board may waive any lien which has arisen or declare any share to be wholly or partly exempt from the provisions in the Articles.

The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after a notice demanding payment and stating that the share may be sold for non-compliance with such notice shall have been given to the holder of the share or to the person entitled to it by transmission.

The Company may sell, subject to certain conditions, any share of a member who cannot be traced if, during a period of 12 years, at least three cash dividends in respect of the share have become payable and no such dividend during that period has been claimed. The Company must also have allowed a period of 3 months to pass from the date it is required to place advertisements to be published in both a national newspaper and local newspaper of the last known postal address of the member giving notice of its intention to sell the shares.

#### **9.10 General Meetings**

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine.

The Directors may call general meetings whenever they think fit and shall call a general meeting upon one being requisitioned by members in accordance with the Act. The notice of a general meeting shall be given to the entitled members, the directors and to the auditors of the Company.

An annual general meeting and all other general meetings shall be called by at least such minimum period of notice as is prescribed or permitted under the Act.

Every notice of a general meeting shall specify:

- (a) the place of the meeting and the time and date of the meeting;
- (b) in the case of an annual general meeting, that the meeting is an annual general meeting;
- (c) the general nature of the business to be transacted at the meeting;
- (d) if the meeting is to consider a special resolution, the intention to propose the resolution as a special resolution; and
- (e) with reasonable prominence, that a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting, that a member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him and that a proxy need not be a member.

The accidental omission to give notice of a general meeting or to send or supply any document or information relating to the meeting to, or the non receipt of any such notice, document or information by, any person entitled to receive the same, whether or not the Company is aware of such omission or non-receipt, shall not invalidate the proceedings at that meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. The quorum for a general meeting shall, for all purposes, be two members present in person or by proxy and entitled to vote on the business to be transacted at the meeting.

The chairman of the Board or, in his absence, any deputy chairman of the Board or, in his absence, some other Director nominated by the Board shall preside as chairman at every general meeting.

If neither the chairman nor any deputy chairman nor such other Director (if any) is present within ten minutes after the time appointed for the commencement of the meeting or if none of such persons is willing to act as chairman of the meeting, the directors present shall choose one of their number to be chairman of the meeting. If only one Director is present and he is willing to act, he shall be chairman of the meeting. If no Director is willing to act as chairman or if no Director is present within ten minutes after the time appointed for the commencement of the meeting, the members present in person or by proxy and entitled to vote shall choose one of their number to be chairman of the meeting.

The decision of the chairman of the meeting, made in good faith, on points of order or matters of procedure or points or matters arising incidentally out of the business of the meeting shall be final and conclusive as shall be his determination, acting in good faith, whether any point or matter is of such a nature.

A Director shall notwithstanding that he is not a member be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company.

### 9.11 Voting

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded.

Subject to the provisions of the Act, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) not less than five members present in person or by proxy and entitled to vote on the resolution; or
- (c) a member or members present in person or by proxy and representing not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
- (d) a member or members present in person or by proxy and holding shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding any shares held as treasury shares).

### 9.12 Pre-emption rights

There are no rights of pre-emption under the Articles in respect of transfers of issued Ordinary Shares.

In certain circumstances, Shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing Shareholders on *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders.

### 9.13 Suspension of Rights for Non-disclosure of Interest in Shares

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "**default shares**") to give the Company the information thereby required within the prescribed period as set out in the Articles from the date of service of the notice, the following sanctions shall apply unless the directors otherwise determine:

- (a) the member or any transferee who acquires shares other than by an authorised transfer is not entitled in respect of the default shares and any other share held by the member or the transferee to be present or to vote (in person, by representation or by proxy) at any general meeting or at any separate meetings of the holders of any class of shares or on a poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (b) where the default shares represent at least 0.25 per cent. of the nominal value of the issued shares of their class, a dividend or any other amount payable in respect of the default shares shall be withheld by the Company, which shall have no obligation to pay interest on it, and the member shall not be entitled to elect to receive shares instead of that dividend. No transfer, other than an approved transfer, as specified in the Articles, of any of the default shares held by the member shall be registered unless the member is not himself in default in supplying the information required, the transfer is for part only of the member's shareholding and he proves to the satisfaction of the directors that none of the shares subject to the transfer are default shares.

#### **9.14 Appointment of directors**

Unless and until otherwise determined by the Company by ordinary resolution, there shall be no maximum number of Directors but the number of Directors shall not be less than two.

Subject to the provisions of the Articles and to the Act, the Company may by ordinary resolution appoint any person who is willing to be a director, either to fill a vacancy, or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the Articles, the Board may at any time appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

A Director shall not be required to hold any shares in the Company by way of a qualification.

Any Director so appointed shall retire at the annual general meeting next following his appointment and shall then be eligible for re-appointment but shall not be taken into account in determining the number or identity of the Directors who are to retire by rotation at that meeting.

#### **9.15 Remuneration of directors**

The directors (including any Director who for the time being holds any employment or executive office with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors of the Company such fees as the Board may determine.

Any fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of these Articles and, unless otherwise determined by the Board, shall accrue from day to day.

The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to the Articles.

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares of the company.

Any Director who performs any special or extra services by arrangement with the Board which, in the opinion of the Board, are outside the scope of his ordinary duties as a Director of the Company and not in his capacity as a holder of employment or executive office may be paid such additional remuneration as the Board may determine. Such additional remuneration may be by way of lump sum, salary, commission, participation in profits or otherwise as the Board may determine.

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death, sickness or disability benefits and other allowances, gratuities or benefits (whether or not similar to the foregoing) (whether by insurance or otherwise) to or for any person who is or has at any time been a Director or employee of the Company or of any body corporate which is or was a subsidiary undertaking or a parent undertaking of the Company or another subsidiary undertaking of a parent undertaking of the Company or otherwise associated with the Company or any such body corporate or a predecessor in business of the Company or any such body corporate and to the spouse, civil partner, surviving spouse, surviving civil partner, children, other relatives and dependants of any such person and for such purpose, may establish, maintain, support, subscribe and contribute to all kinds of schemes, institutions, associations, clubs, trusts and funds and pay premiums.

#### **9.16 Retirement and removal of directors**

Any Director so appointed shall retire at the annual general meeting next following his appointment and shall then be eligible for re-appointment but shall not be taken into account in determining the number or identity of the Directors who are to retire by rotation at that meeting.

Each Director shall retire from office at the third annual general meeting after the general meeting at which he was appointed or last re-appointed.

At each annual general meeting, at least one third of the Directors who are subject to retirement by rotation shall retire from office. If their number is not three or a multiple of three, the minimum number of Directors to retire shall be the number which is nearest to but does not exceed one third. If there are fewer than three Directors who are subject to retirement by rotation, a minimum of one Director shall retire from office.

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any such agreement, and appoint another person in place of a Director so removed from office. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy.

#### **9.17 Powers and duties of directors**

Subject to the provisions of the Act and the Articles and to any directions given by special resolution of the Company, the business and affairs of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the Articles and no direction given by the special resolution of the Company shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.

Subject as provided in the Articles and to the provisions of the Act, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital of the Company, and to indemnify and guarantee, and to create and 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.

#### **9.18 Directors' interests and conflict of interests**

The Board may, subject to the quorum and voting requirements set out in the Articles, authorise any situation or matter in which a Director (an "**Interested Director**") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in the Interested Director being in breach of his duty under section 175 of the Act (a "**Conflict Situation**"). An Interested Director seeking authorisation of a Conflict Situation:

- (a) must declare to the Board the nature and extent of his interest giving rise to the Conflict Situation as soon as is reasonably practicable; and
- (b) must provide the Board with all such information as is necessary to enable the Board to decide whether or not to authorise the Conflict Situation together with such additional information as may be requested by the Board.

Any Director (including the Interested Director) may propose that a Conflict Situation be authorised by the Board. Any such proposal and any authorisation given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of these Articles save that:

- (a) the Interested Director and any other Director with an interest in the Conflict Situation shall not count towards the quorum nor vote on any resolution giving such authorisation; and
- (b) the Interested Director and any other Director with an interest in the Conflict Situation may, if the other members of the Board so decide, be excluded from any meeting of the Board while the Conflict Situation is under consideration.

Where the Board authorises a Conflict Situation the Board may (whether at the time of giving the authorisation or subsequently):

- (a) require that the Interested Director is excluded from the receipt of information and documentation, participation in discussions and/or the making of decisions (whether at meetings of the Board or otherwise) concerning the Conflict Situation or any matter in relation to which the Conflict Situation is relevant; and/or
- (b) impose upon the Interested Director such other terms for the purpose of dealing with the Conflict Situation as the Board may determine and the Interested Director will be obliged to conduct himself in accordance any terms imposed by the Board in relation to the Conflict Situation; and/or
- (c) provide that, where the Interested Director receives (otherwise than through his position as a Director of the Company) information in respect of which he owes a duty of confidentiality to a third party, he will not be obliged to disclose such information to the Company or to use or apply such information in furtherance of the interests, or otherwise in relation to the affairs, of the Company where to do so would amount to a breach of that duty.

The Board may revoke or vary the authorisation at any time but any such revocation or variation will not affect anything done or omitted to be done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation. The terms of authorisation must be recorded in writing (but the authorisation will be effective whether or not the terms are so recorded).

#### **9.19 Borrowing Powers**

Subject to the Articles and to the provisions of the Act, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or part of its undertaking, property, assets (present or future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party. The Directors shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to procure (as regards subsidiaries in so far as they can) that the aggregate principal amount outstanding in respect of monies borrowed by them shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the adjusted total of the share capital and consolidated reserves of the Company, as such terms are defined in the Articles.

#### **9.20 Dividends**

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. If in so far as in the opinion of the Board the profits of the Company available for distribution justify such payments, the Board may declare and pay fixed dividends on the dates prescribed for the payment of those dividends and/or interim dividends on shares of such amounts and on such dates and in respect of such periods as the Board thinks fit.

A general meeting declaring a dividend may, on the recommendation of the Board, by ordinary resolution direct that all or any part of the dividend shall be satisfied by the distribution of assets (including without limitation paid up shares or debentures of another body corporate).

All dividends shall be apportioned and paid according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

Unless otherwise provided by the rights attaching to the share, no dividend or other monies payable on or in respect of a share bear interest as against the Company.

The Board may deduct from any dividend or other money payable to any member on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company and apply any monies so deducted in or towards satisfaction of the amounts owed to the Company in relation to such shares.

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto are returned to the Company or left uncashed on two consecutive occasions, or following one such occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company shall not be obliged to send any dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

All unclaimed dividends or other monies payable on or in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The payment of any such dividend or other monies into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

Subject as provided in the Articles, the Board may, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer holders of Ordinary Shares (excluding any Ordinary Shares held as treasury shares) the right to elect to receive new Ordinary Shares, credited as fully paid, instead of all or part of any dividend specified by the ordinary resolution. The ordinary resolution may specify a particular dividend or dividends (whether declared or not) or may specify all or any dividends declared within a specified period.

The Board may offer these rights of election in respect of the next dividend proposed to be paid or in respect all future dividends (in respect of which a scrip dividend alternative is made available) until such time as the election is revoked, or may allow holders of Ordinary Shares to make an election in either form.

#### **9.21 Capitalisation of profits and reserves**

The Board may, with the authority of an ordinary resolution of the Company resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend or any sum standing to the credit of any reserve or other fund, and to appropriate the sum resolved to be capitalised to the members or any class of members on the record at specified in, or determined in accordance with, the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

#### **9.22 Distribution of assets on a winding up**

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court or by the court), the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company (whether or not the assets consist of property of one kind or different kinds). For this purpose, the liquidator may set such value as he considers fair on any one or more class or classes of property and may determine how such division shall be carried out as between the members or classes of members.

#### **9.23 Untraced Shareholders**

The Company shall be entitled to sell the shares of a member or person entitled on death or bankruptcy of a member if all warrants and cheques in respect of at least three dividends sent to such a member or person have remained unclaimed and uncashed for a period of 12 years and the Company has, at the expiration of such period, given notice in a daily national newspaper and an appropriate local newspaper (having first given the London Stock Exchange notice of its intention to do so) and for a period of three months following the said advertisement no indication is received as to the whereabouts or existence of such member or person. The Company shall be obliged to account to the member or such other person for the net proceeds of sale without interest.

#### **9.24 CREST**

The Articles are consistent with the provisions regulating CREST, a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument and, *inter alia*, allow for the holding and transfer of shares in uncertificated form in accordance with the provisions of the CREST Regulations.

## 10 DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

### 10.1 The Executive Directors have the following service agreements with the Company:

(a) Charles Clark

A service agreement dated 24 April 2014 between the Company and Charles Clark pursuant to which Charles Clark is employed as the Group's Chief Executive Officer at a salary of £150,000 per annum (subject to review annually without obligation to increase the same). The service agreement is terminable on six months' written notice given by either party to the other to expire on or after the first anniversary of the agreement. The agreement contains provisions for early termination, *inter alia*, in the event that he breaches any material term of the agreement. Charles Clark has the ability to earn a bonus which is discretionary and subject to achievement of certain performance targets (to be agreed in advance of each bonus year) and being in employment and not under notice of termination at the bonus payment date. In addition, Charles Clark is entitled to receive a contribution of £12,000 per annum into a personal pension scheme. The service agreement contains a non-compete clause for a period of 6 months from the termination of Charles Clark's employment and other restrictive covenants for a period of 12 months following the termination of his employment.

(b) Francis Reid

A service agreement dated 24 April 2014 between the Company and Francis Reid pursuant to which Francis Reid is employed as the Group's Chief Financial Officer at a salary of £120,000 per annum (subject to review annually without obligation to increase the same). The service agreement is terminable on six months' written notice given by either party to the other to expire on or after the first anniversary of the agreement. The agreement contains provisions for early termination, *inter alia*, in the event that he breaches any material term of the agreement. Francis Reid has the ability to earn a bonus which is discretionary and subject to achievement of certain performance targets (to be agreed in advance of each bonus year) and being in employment and not under notice of termination at the bonus payment date. In addition, Francis Reid is entitled to receive a contribution of £12,000 per annum into a personal pension scheme. The service agreement contains a non-compete clause for a period of 6 months from the termination of Francis Reid's employment and other restrictive covenants for a period of 12 months following the termination of his employment.

(c) Hugh Cox

A service agreement dated 24 April 2014 between the Company and Hugh Cox pursuant to which Hugh Cox is employed as the Group's Chief Data Officer at a salary of £120,000 per annum (subject to review annually without obligation to increase the same). The service agreement is terminable on six months' written notice given by either party to the other to expire on or after the first anniversary of the agreement. The agreement contains provisions for early termination, *inter alia*, in the event that he breaches any material term of the agreement. Hugh Cox has the ability to earn a bonus which is discretionary and subject to achievement of certain performance targets (to be agreed in advance of each bonus year) and being in employment and not under notice of termination at the bonus payment date. In addition, Hugh Cox is entitled to receive a contribution of £12,000 per annum into a personal pension scheme. The service agreement contains a non-compete clause for a period of 6 months from the termination of Hugh Cox's employment and other restrictive covenants for a period of 12 months following the termination of his employment.

(d) Jeff Sweetman

A service agreement dated 24 April 2014 between the Company and Jeff Sweetman pursuant to which Jeff Sweetman is employed as the Group's Chief Operating Officer at a salary of £120,000 per annum (subject to review annually without obligation to increase the same). The service agreement is terminable on six months' written notice given by either party to the other to expire on or after the first anniversary of the agreement. The agreement contains provisions for early termination, *inter alia*, in the event that he breaches any material term of the agreement. Jeff Sweetman has the ability to earn a bonus which is discretionary and subject to achievement of certain performance targets (to be agreed in advance of each bonus year) and being in employment and not under notice

of termination at the bonus payment date. In addition, Jeff Sweetman is entitled to receive a contribution of £12,000 per annum into a personal pension scheme. The service agreement contains a non-compete clause for a period of 6 months from the termination of Jeff Sweetman's employment and other restrictive covenants for a period of 12 months following the termination of his employment.

10.2 The Non-Executive Directors have the following letters of appointment with the Company:

(a) John O'Hara

A letter of appointment dated 24 April 2014 between the Company and John O'Hara pursuant to which John O'Hara was appointed as a non-executive director and chairman of the Company at an annual fee of £50,000 from Admission, the appointment being terminable on three months' written notice given by either party to the other. The letter of appointment contains provisions for early termination in a number of circumstances where John O'Hara's ability to perform the role of non-executive chairman would be impeded. John O'Hara's appointment is subject to the Articles, and to re-election at the next annual general meeting of the Company.

(b) Edward Stacey

A letter of appointment dated 24 April 2014 between the Company and Edward Stacey pursuant to which Edward Stacey was appointed as a non-executive director of the Company at an annual fee of £35,000, the appointment being terminable on three months' written notice given by either party to the other. The letter of appointment contains provisions for early termination in a number of circumstances where Edward Stacey's ability to perform the role of non-executive director would be impeded. Edward Stacey's appointment is subject to the Articles, and to re-election at the next annual general meeting of the Company.

(c) Barney Quinn

A letter of appointment dated 24 April 2014 between the Company and Barney Quinn pursuant to which Barney Quinn was appointed as a non-executive director of the Company at an annual fee of £30,000, the appointment being terminable on three months' written notice given by either party to the other. The letter of appointment contains provisions for early termination in a number of circumstances where Barney Quinn's ability to perform the role of non-executive director would be impeded. Barney Quinn's appointment is subject to the Articles, and to re-election at the next annual general meeting of the Company.

10.3 There are no arrangements under which any Director has agreed to waive or vary future emoluments nor have there been any waivers or variations of such emoluments during the financial year immediately preceding the date of this document, save that:

(a) Jeff Sweetman has waived, and will continue to waive, payment of £24,000 of his annual salary in consideration for a contribution by the Group to his pension fund in that amount per annum; and

(b) in June 2013 RAL agreed to grant John O'Hara options over 45,648 Ordinary Shares in that company exercisable at the nominal value of such shares in exchange for John O'Hara waiving his basic fee for performing non-executive chairman services. The agreement was for shares to vest quarterly over a two year period and for all of the shares to vest on a listing of RAL. On 24 April 2014 John O'Hara agreed to surrender any entitlement to such options in exchange for the grant of 240,000 options over Ordinary Shares in the Company exercisable from Admission at an exercise price equal to the nominal value of each Ordinary Share, and John O'Hara becoming entitled, from Admission, to an annual fee of £50,000 for performance of his role as Non-Executive Chairman of the Company.

10.4 The aggregate remuneration and benefits in kind paid to the directors of RAL for the financial period ending 30 April 2013 was approximately £482,414. It is estimated that under the agreements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the financial period ending 30 April 2014 will be £735,837.

10.5 Save as disclosed in this paragraph 10, there are no existing or proposed service or consultancy agreements between any Director and any member of the Group.

## 11 EMPLOYEES

The average number of the Group's permanent employees for each of the last three financial years and the number of the Group's permanent employees as at 23 April 2014 (being the last practicable date prior to the date of this document), are as follows:

<b>Financial Period End</b>	<b>Number of UK Employees</b>	<b>Number of US Employees*</b>	<b>Total Number of Employees</b>
31 March 2011	20	0	20
30 April 2012	22	0	22
30 April 2013	31	1	32
As at 23 April 2014	36	6	42

\*US personnel are employed by Strategic Outsourcing, Inc. ("SOI") and their services are provided to the Group pursuant to a service agreement between Rosslyn Analytics, Inc. and SOI.

## 12 PRINCIPAL ESTABLISHMENTS

12.1 The Company's head office, principal place of business and principal establishment, and the principal establishment of Rosslyn Analytics Limited is at 25 Eccleston Place, London SW1W 9NF.

12.2 The registered office of Rosslyn Analytics Limited is 92 Cromer Street, London WC1H 8DD.

12.3 The registered office of Rosslyn Analytics, Inc. is 16 West Main Street, Christiana, DE 19702. The principal establishment of Rosslyn Analytics, Inc. is at 1745 Shea Center Drive, 4<sup>th</sup> Floor, Highlands Ranch, CO 80129, United States.

## 13 MANDATORY BIDS, SQUEEZE-OUT AND SELL OUT RULES

### 13.1 Mandatory bids

The Takeover Code will apply to the Company from Admission. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

### 13.2 Squeeze-out

Under the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it would compulsorily acquire their Ordinary Shares. Six weeks later, it would be entitled to execute a transfer of the outstanding Ordinary Shares to it and pay the consideration to the Company, which would hold it on trust for outstanding shareholders. The consideration offered to the shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

### 13.3 Sell-out

The Act would also give minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held (or had agreed to acquire) not less than 90 per cent. of the shares, any shareholder to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those Ordinary Shares.

The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on those rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period under the offer. 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.

## 14 UNITED KINGDOM TAXATION

The following statements do not constitute tax advice and are intended only as a general guide to current UK law as applied in England and Wales and HMRC published practice, which may not be binding on HMRC, as at the date of this document (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Shareholders and are intended to apply only, except to the extent stated below, to persons who are resident and, if individuals, domiciled in the UK for UK tax purposes, who are absolute beneficial owners of the Ordinary Shares (otherwise than through an Individual Savings Account or a Self Invested Personal Pension) and who hold the Ordinary Shares as investments (and not as securities to be realised in the course of a trade). They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

Any person who is in any doubt as to their tax position, or who is subject to taxation in any jurisdiction other than the UK, should consult their own professional adviser without delay.

### 14.1 Taxation of dividends

#### (a) General

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

#### (b) Individual Shareholders

When the Company pays a dividend to a Shareholder who is an individual resident (for tax purposes) in the UK, the Shareholder will be entitled to a tax credit equal to one-ninth of the dividend received. The dividend received plus the related tax credit (the “**gross dividend**”) will be part of the Shareholder’s total income for UK income tax purposes and will be regarded as the top slice of that income. However, in calculating the Shareholder’s liability to income tax in respect of the gross dividend, the tax credit (which equates to 10 per cent. of the gross dividend) is set off against the tax chargeable on the gross dividend.

#### *Basic rate taxpayers*

In the case of a Shareholder who is liable to income tax at the basic rate, the Shareholder will be subject to tax on the gross dividend at the rate of 10 per cent. The tax credit will, in consequence, satisfy in full the Shareholder’s liability to income tax on the gross dividend.

#### *Higher rate taxpayers*

In the case of a Shareholder who is liable to income tax at the higher rate, the Shareholder will be subject to tax on the gross dividend at the higher rate of 32.5 per cent., to the extent that the gross dividend falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax when it is treated (as mentioned above) as the top slice of the Shareholder’s income. This means that the tax credit will satisfy only part of the Shareholder’s liability to income tax on the gross dividend, so that the Shareholder will have to account for income tax equal to 22.5 per cent. of the gross dividend (which equates to 25 per cent. of the dividend actually received). For example, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of one-ninth of £90, i.e. £10) and the Shareholder would be required to account for income tax of £22.50 on the dividend, being £32.50 (i.e. 32.5 per cent. of £100) less £10 (the amount of the tax credit).

#### *Additional rate taxpayers*

In the case of a Shareholder who is liable to income tax at the additional rate, the Shareholder will be subject to tax on the gross dividend at the dividend additional rate of 37.5 per cent., to the extent that the gross dividend falls above the threshold for the additional rate of income tax when it is treated (as mentioned above) as the top slice of the Shareholder’s income. This means

that the tax credit will satisfy only part of the Shareholder's liability to income tax on the gross dividend, so that the Shareholder will have to account for income tax equal to 27.5 per cent. of the gross dividend (which equates to approximately 30.6 per cent. of the dividend actually received). For example, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of one-ninth of £90, i.e. £10) and the Shareholder would be required to account for income tax of £27.50 on the dividend, being £37.50 (i.e. 37.5 per cent. of £100) less £10 (the amount of the tax credit).

(c) Corporate Shareholders

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally expect to be subject to tax on dividends from the Company. Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general, (i) dividends paid on shares that are not redeemable and do not carry any present or future preferential rights to dividends or to a company's assets on its winding up and (ii) dividends paid to a person holding less than, among other things, 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class.

(d) Tax credit

Other than as set out below, a Shareholder (whether an individual or a company) who is not liable to tax on dividends from the Company will not be entitled to claim payment of the tax credit in respect of those dividends. The right of a Shareholder who is not resident (for tax purposes) in the UK to a tax credit in respect of a dividend received from the Company and to claim payment of any part of that tax credit will depend on the existence and terms of any double taxation convention between the UK and the country in which the holder is resident, although generally no such payment will be available. Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed, and what tax may be payable in respect of a dividend received from the Company, in the jurisdiction in which they are resident.

## 14.2 Taxation of chargeable gains

(a) Individual Shareholders

A disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax, depending on the circumstances and subject to any available exemption or relief.

(b) Corporate Shareholders

Where a Shareholder is within the charge to corporation tax, including cases where it is not resident (for tax purposes) in the UK, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax, but may not create or increase any allowable loss.

(c) Non-resident Holders

A Shareholder that is not resident in the UK (and is not temporarily non-resident) for UK tax purposes and whose Ordinary Shares are not held in connection with carrying on a trade, profession or vocation in the UK generally will not be subject to UK tax on chargeable gains on the disposal of Ordinary Shares.

## 14.3 Inheritance tax

Ordinary Shares are assets situated in the UK for the purposes of UK inheritance tax.

Individuals and trustees subject to UK inheritance tax in relation to a holding of Ordinary Shares may be entitled to business property relief of up to 100 per cent. after a holding period of two years, provided that all the relevant conditions for the relief are satisfied at the appropriate time.

You should consult your tax adviser if you are concerned with the potential UK inheritance tax implications of your Ordinary Shares.

#### 14.4 Stamp Duty and Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax (“SDRT”) will generally be payable on the issue of the new Ordinary Shares. Stamp duty and SDRT treatment will generally be as follows:

From 28 April 2014 the government intends to abolish stamp duty and SDRT on shares admitted to trading on a recognised growth market such as AIM but not listed on a recognised stock exchange such as the Main Market of the London Stock Exchange.

Before 28 April 2014, the transfer of Ordinary Shares outside the CREST system will generally be liable to stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest multiple of £5). Stamp duty is normally paid by the purchaser or transferee of the Ordinary Shares. An agreement to transfer Ordinary Shares will generally be subject to SDRT at 0.5 per cent. of the agreed consideration. If however, within the period of six years of the date of the agreement or, in the case of a conditional agreement, the date on which it becomes unconditional, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be repaid or cancelled. SDRT is normally the liability of the purchaser or transferee of the Ordinary Shares.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

#### 14.5 Enterprise Investment Scheme

The following provides an outline of the EIS tax reliefs potentially available to individuals and trustee investors who are subscribing for Ordinary Shares. Any potential investor should obtain independent advice from a professional advisor as a claim for relief will be conditional upon his or her own circumstances and is subject to holding the shares throughout the relevant three year period.

The Company has obtained advance assurance from HMRC that new subscriptions for shares should meet the conditions for EIS, but the ability to claim relief will depend on the Investors’ own circumstances.

In addition, for EIS relief not to be withdrawn, the Company must comply with a number of conditions throughout the qualifying period relating to Ordinary Shares.

In summary, EIS relief may be available where a qualifying company issues new ordinary shares, the purpose of which is to raise money for a qualifying business activity. The EIS shares must be subscribed for in cash and be fully paid up at the date of issue and must be held, broadly, for three years after they were issued.

EIS income tax relief is available to individuals only – the current relief is 30 per cent. of the amount subscribed for EIS shares to be set against the individual’s income tax liability for the tax year in which the EIS investment is made, and is available up to a maximum of £1,000,000 in EIS subscriptions per tax year. This relief can be “carried back” one tax year (subject to the overriding limit for relief in that tax year). This relief is only available to individuals who are not connected with the Company in the period of two years prior to and three years after the subscription.

Very broadly, an individual is connected with the issuing company if, *inter alia*, he or his associates are employees or directors or have an interest in more than 30 per cent. of the Company’s ordinary share capital or voting rights. Broadly, “associates” usually include close family members but the operation of these rules is complex and professional advice should be sought to ensure that relief is not denied.

Where EIS income tax relief has been given and has not been withdrawn, any gain on the subsequent disposal of the shares in qualifying circumstances is generally free from capital gains tax. If the shares are disposed of at a loss, capital gains tax relief will generally be available for that loss net of any income tax relief previously given. Alternatively, an election can be made to set that loss (less any income tax relief already given) against income of that year or any income of the previous year.

Individuals and trustees who have realised gains on other assets within one year before or up to three years after the EIS shares are issued, are able to defer a capital gains tax liability arising on those gains by making a claim to reinvest an amount of those gains against the cost of the EIS share subscription. Deferred gains will become chargeable on a disposal or deemed disposal of the EIS shares. The investor can be connected with the Company (as outlined above) and obtain such capital gains tax deferral relief.

## 15 MATERIAL CONTRACTS

15.1 The following are the only contracts, not being contracts entered into in the ordinary course of business, which have been entered into by any member of the Group (i) within the two years immediately preceding the date of this document and are, or may be material; or (ii) which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

- (a) Investment agreement dated 18 January 2010 between (1) Charles Clark, Hugh Cox, Steven Hayward, James Courtis-Pond, Jeffrey Sweetman (together the “**Managers**”), (2) Roger Bullen, Julie Bullen, Claudia Clark and Katrina Cox, (3) RAL, (4) the IQ Capital Fund I and (5) John O’Hara, pursuant to which John O’Hara and IQ Capital Fund I subscribed to £75,013.42 and £925,000.62 A preference shares respectively in RAL at a price of £1.108518 per share.

Under the agreement, RAL and the Managers gave warranties to the investors as to the accounts and management accounts, intellectual property rights and trade secrets, any such claim to expire after 12 months from the date of the agreement (other than a breach of tax warranties which shall expire after 7 years).

- (b) Supplemental investment agreement dated 20 April 2012 between (1) Charles Clark, Hugh Cox, Steven Hayward, James Courtis-Pond, Jeffrey Sweetman, (2) RAL, (3) the IQ Capital Fund I, (4) Torch Partners Corporate Finance Limited, Andrew Leathers, Rupert Robson, Thomas Roberts, Huw Lloyd and Simon Carmichael (the “**Torch Investors**”) and (5) Terence John Cocks pursuant to which the parties agreed to subscribe to an aggregate of 382,475 A preference shares in RAL at a price of £2.745279 per share.

Under the agreement, RAL and the Managers gave warranties to IQ Capital Fund I, Terence John Cox and Torch Investors as to the accounts and management accounts, borrowings and solvency, any such claim to expire after 12 months from the date of the agreement (other than a breach of tax warranties which shall expire after 7 years).

- (c) Supplemental investment agreement dated 27 September 2013 between (1) Hugh Cox, Charles Clark and Jeffrey Sweetman, (2) RAL, (3) IQ Capital Fund I and (4) John O’Hara pursuant to which IQ Capital Fund I, Charles Clark, Jeffrey Sweetman and John O’Hara agreed to subscribe an aggregate of 114,968 A preference Shares in RAL at a price of £3.056674 per share.

If during the three month period following completion, any person other than RAL, Hugh Cox, Charles Clark and Jeffrey Sweetman wishes to subscribe for ordinary shares and/or A preference shares in RAL at a price of £3.056674 per share, then RAL may at its sole discretion issue such ordinary shares and/or A preference shares to those persons, so long as the maximum amount that may be raised from the issue, when aggregated with the monies subscribed under this agreement shall not exceed £3,100,000. No shares shall be issued to any person not a party to the investment agreement dated 18 January 2010, unless upon their subscription, they adhere to the investment agreement dated 18 January 2010 by virtue of a deed of adherence.

Under the agreement RAL and the Managers warrant to IQ Capital Fund I and John O’Hara as to the accounts and management accounts, borrowings and solvency, any such claim to expire after 12 months from the date of the agreement (other than a breach of tax warranties which shall expire after 7 years).

- (d) Deed of variation dated 6 November 2013 varying the supplemental investment agreement dated 27 September 2013 between (1) Hugh Cox, Charles Clark and Jeffrey Sweetman, (2) RAL, (3) IQ Capital Fund I and (4) John O’Hara. The deed of variation varied the amounts subscribed by Charles Clark and Jeffrey Sweetman such that IQ Capital Fund I, Jeffrey Sweetman and John O’Hara agree to subscribe for an aggregate of 96,847 A preference shares at a price of £3.056674 per share.

- (e) Deed of novation and conditional termination dated 23 April 2014 of the investment agreement dated 18 January 2010, the supplemental investment agreement dated 20 April 2012 and the supplemental investment agreement dated 27 September 2013 (as varied by the deed of variation dated 6 November 2013) (all such documents referred to collectively as the “**Investment Agreements**”), entered into by RAL, the Company and each of the parties to the Investment Agreements, pursuant to which all of RAL’s continuing rights and obligations pursuant to the Investment Agreements were novated to and assumed by the Company in connection with the entry into the Share Exchange Agreement referred to at paragraph 15.1 of this Part IV.

Furthermore, the parties to the Investment Agreements agreed pursuant to this deed that, conditional upon, and with effect from immediately before, Admission, the Investment Agreements would automatically terminate, and all parties thereto would be released from any further obligations thereunder.

- (f) RAL entered into a loan agreement as borrower, with IQ Capital Fund I LP, as lender on 19 December 2012. Under this loan agreement, IQ Capital Fund I LP agreed to make available a £325,000 short-term, unsecured convertible loan facility to RAL at a rate of 5% above base rate of the Bank of England.

The IQ Capital Fund I LP sent a notice to RAL in respect of the loan agreement on 27 September 2013 which referred to the supplemental investment agreement to be entered into on or around the date of the notice (as described in paragraph 15.1(c) of this Part IV). The notice stated that the investment to be made under the investment agreement qualified as a significant financing under the terms of the loan agreement. Accordingly, the IQ Capital Fund I LP wished to convert the principle sum outstanding under the loan agreement into an aggregate of 147,981 A preference shares in RAL, such shares to be allotted immediately. Such shares were issued immediately to the IQ Capital Fund I LP and RAL has no further outstanding liabilities to the IQ Capital Fund I LP under this loan agreement.

- (g) A nominated adviser and broker agreement dated 24 April 2014 between (1) the Company and (2) Cenkos (as nominated adviser and broker) pursuant to which the Company has appointed Cenkos to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for a minimum period of 12 months commencing on Admission. The Company has agreed to pay to Cenkos a fee of £60,000 per annum in respect of its services for acting as nominated adviser and broker to the Company together with VAT thereon and any out-of-pocket expenses which Cenkos incurs in respect of its services.
- (h) On 23 April 2014, the Company entered into a share for share exchange agreement with all of the shareholders of RAL as at that date, pursuant to which the Company acquired the entire issued share capital in RAL in consideration for the allotment of, in aggregate, 28,756,752 Ordinary Shares and 16,346,032 A Preference Shares. The RAL shareholders were allotted eight Ordinary Shares for each ordinary share of £0.0001 held by them in RAL, and eight A Preference Shares for each A preference share of £0.0001 held by them in RAL, save for Hugh Cox who was allotted two fewer Ordinary Shares to take account of his holding the two issued shares in the Company on the date thereof. The Ordinary Shares had the same rights and were subject to the same obligations as the ordinary shares in RAL immediately prior to the share for share exchange, and the A Preference Shares had the same rights and were subject to the same obligations as the A preference shares in RAL immediately prior to the share for share exchange.
- (i) the Placing Agreement dated 24 April 2014 between (1) Cenkos Securities plc, (2) the Directors and (3) the Company pursuant to which Cenkos has conditionally agreed, on and subject to the terms set out therein, to use its reasonable endeavours to procure investors to subscribe for the New Shares at the Placing Price. The agreement is conditional, *inter alia*, upon Admission taking placing on or prior to 29 April 2014 or such later date as Cenkos and the Company may agree but in any event not later than 13 May 2014. The Company will pay to Cenkos a fee of £200,000 and a commission of five per cent. of the aggregate value of the New Shares at the Placing Price, together with all costs

and expenses and VAT thereon where appropriate. The agreement provides for the Company to pay all expenses of and incidental to the Placing and the application for Admission, including the fees and costs of other professional advisers.

The Company and the Directors have, under the Placing Agreement, given certain warranties, which are limited in terms of liability, in favour of Cenkos. In addition, the Company has given Cenkos an indemnity which applies in certain circumstances and which is subject to certain limitations.

Cenkos may terminate the Placing Agreement in specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or a material breach of any of the warranties contained in it or where there shall occur, develop or come into effect any fundamental change in national or international, financial, economic, political or stock market conditions which in the opinion of Cenkos (acting in good faith) makes it impracticable or inadvisable to proceed with the Placing.

- (j) A lock-in and orderly market agreement dated 24 April 2014 between (1) the Directors, (2) IQ Capital Fund I LP (“IQ”), (3) Cenkos and (4) the Company, pursuant to which each of the Directors and IQ have agreed that they will not dispose of any interest in Ordinary Shares for a period of 12 months from Admission subject to certain exceptions. The Directors and IQ have also agreed that for a further period of 12 months, any disposal of Ordinary Shares by them will, subject to certain exceptions, be conducted through an orderly market arrangement between themselves and Cenkos.
- (k) Pursuant to a warrant instrument of the Company dated 24 April 2014, the Company has granted a warrant to subscribe for 200,000 Ordinary Shares to Terence Cocks (father of Hugh Cox). The warrants are exercisable in whole or in part at any time in the 3 years following Admission at an exercise price per share of 38.208425 pence per share. The Warrants are not transferrable.
- (l) Share option agreement between the Company and John O’Hara dated 24 April 2014 pursuant to which the Company granted options over 240,000 Ordinary Shares to John O’Hara in part consideration for John O’Hara surrendering any entitlement to options over 30,000 ordinary shares in RAL which RAL agreed to grant to John O’Hara following an amendment to an agreement made in June 2013. The options vest on Admission and will become exercisable in a number of circumstances including Admission. The exercise price is an amount equal to the nominal value of the shares under the option.
- (m) EMI share option agreement between the Company and Francis Reid dated 24 April 2014 pursuant to which the Company granted options over 320,000 Ordinary Shares to Francis Reid. These options have been granted with an exercise price of 0.8575 pence per share and become exercisable in a number of circumstances including the listing of the Company, including on Admission.
- (n) Option agreements dated 24 April 2014 between the Company and various employees of the Group and individuals who carry out work for the Group in the US relating to the award of the options over Ordinary Shares detailed at paragraph 17 of Part I of this document.
- (o) A loan agreement dated 3 April 2014 between the Company as borrower and John O’Hara as lender relating to a loan of up to £200,000. Interest shall accrue daily on amounts outstanding at a rate of 20 per cent. per annum until the due date for repayment which is 31 May 2014. Interest shall accrue daily on amounts outstanding after the repayment date at a rate of 30 per cent. per annum. Interest is payable on repayment of the principal. The loan may be repaid early at the Company’s election, without penalty.
- (p) A loan agreement dated 3 April 2014 between the Company as borrower and Hugh Cox, Jeff Sweetman, Francis Reid and Charles Clark as lenders relating to a loan of up to £100,000. Interest shall accrue daily on amounts outstanding at a rate of 20 per cent. per annum until the due date for repayment which is 31 May 2014. Interest shall accrue daily on amounts outstanding after the repayment date at a rate of 30 per cent. per annum. Interest is payable on repayment of the principal. The loan may be repaid early at the Company’s election, without penalty.

- (q) an orderly market agreement dated 24 April 2014 between (1) Cenkos, (2) the Company and (3) the Relevant Shareholders (as defined therein), being shareholders of the Company holding, in aggregate 6,615,048 Ordinary Shares on Admission, pursuant to which the Relevant Shareholders have agreed that they will not dispose of Ordinary Shares in the 6 months following Admission except with the approval of Cenkos and that any disposal of Ordinary Shares by them in the following 6 months will, subject to certain exceptions, be conducted through an orderly market arrangement between themselves and Cenkos.
- (r) The Selling Shareholder Agreement dated 24 April 2014 between (1) Cenkos Securities plc, (2) the Company and (3) the Selling Shareholder pursuant to which Cenkos has conditionally agreed, on and subject to the terms set out therein, to use its reasonable endeavours to procure investors to purchase the Sale Shares at the Placing Price. The agreement is conditional, *inter alia*, upon Admission taking place on or prior to 29 April 2014 or such later date as may be agreed by the Company and Cenkos but in any event not later than 13 May 2014.

The Selling Shareholder has, under the Selling Shareholder Agreement, given warranties, which are limited in terms of liability, to Cenkos as to his capacity to enter into the Selling Shareholder Agreement and his title to the Sale Shares. The Selling Shareholder has agreed to pay any stamp duty and/or stamp duty reserve tax arising on the sale of the Sale Shares.

The Selling Shareholder Agreement shall terminate immediately upon termination of the Placing Agreement described in paragraph 15.1(i) of this Part IV.

The Company will not receive any of the proceeds from the sale of the Sale Shares.

- (s) An orderly market agreement dated 24 April 2014 between (1) Cenkos Securities plc, (2) the Company and (3) the Selling Shareholder pursuant to which the Selling Shareholder has agreed with Cenkos that he will not dispose of any Ordinary Shares (not including the Sale Shares) in the 3 months following Admission except with the approval of Cenkos and that any disposal of Ordinary Shares by him in the following 6 months will, subject to certain exceptions, be conducted through an orderly market arrangement between the Selling Shareholder and Cenkos.

## **16 RELATED PARTY TRANSACTIONS**

- 16.1 The Company has entered into the nominated adviser and broker agreement described at paragraph 15.1(g) of this Part IV and the Placing Agreement described at paragraph 15.1(i) of this part IV with Cenkos. On 6 November 2013, RAL paid Cenkos a commission of £80,002.30 in aggregate in connection with services provided to RAL relating a private placing of shares in RAL, which amount was used by Cenkos to subscribe for 26,173 A preference shares in RAL. On 11 December 2013, Cenkos became entitled to payment of commission in the amount of £36,000.02 in aggregate from RAL in connection with with services provided to RAL relating a private placing of shares in RAL, which amount remains outstanding as at the date of this document. Cenkos, as at 24 April 2014 (being the last practicable date prior to the date of this document) is the registered holder of 33,312 Ordinary Shares and 209,384 A Preference Shares and on Admission (following the re-designation of the A Preference Shares as Ordinary shares referred to at paragraph 4.8 of Part IV of this document) will be the holder of 242,696 Ordinary Shares. Each of these transactions was concluded at arm's length.
- 16.2 Rosslyn Capital Limited, of which Charles Clark and Hugh Cox are the shareholders and directors, provided an interest free loan in the aggregate amount of £147,796.92 on 29 June 2009. All amounts due under the loan were repaid in full, the final repayment being on 26 October 2012. Certain repayments under this loan were, at the instruction of Rosslyn Capital Limited, made directly to Terence Cocks (father of Hugh Cox) in satisfaction of amounts owed to him by Rosslyn Capital Limited.
- 16.3 In September 2013, Francis Reid provided a short-term loan in the amount of £50,000 to RAL, which has been repaid in full without interest. The loan was not documented.
- 16.4 In September 2013, Terence Cocks provided a short-term loan in the amount of £75,000 to RAL, which has been repaid in full without interest. The loan was not documented.

16.5 Save as disclosed in paragraphs 15.1 and this paragraph 16 of this Part IV, and in note 19 of the Notes to the Historical Financial Information in Part III of this document, there are no related party transactions that the Group has entered into during the period covered by the historical financial information set out in Part III of this document up to the date of this document.

## **17 WORKING CAPITAL**

The Directors are of the opinion, having made due and careful enquiry and taking into account existing facilities available to the Group and the net proceeds of the Placing receivable by the Company, that the Group has sufficient working capital for its present requirements, that is at least 12 months from the date of Admission.

## **18 LITIGATION**

18.1 RAL was recently involved in High Court and Employment Tribunal litigation with two former employees which settled out of court in January 2014 without material liability being incurred by RAL. The terms of settlement are confidential.

18.2 HM Revenue & Customs petitioned the court for the winding up of RAL on 1 August 2013 in relation to a tax liability of £180,000. RAL was entitled to a tax credit in the same amount which it proposed would offset the liability. However HM Revenue & Customs demanded the liability be paid before the credit could be applied. The petition was dismissed by the court on 7 October 2013.

18.3 Save as described in paragraph 18.1 above, no member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Group.

## **19 GENERAL**

19.1 Save as disclosed in paragraph 17 of Part III and paragraph 15.1 of Part IV of this document. There has been no significant change in the financial or trading position of the Company since 7 February 2014, the date of incorporation.

19.2 Save as disclosed in paragraph 17 of Part III and paragraph 15.1 of Part IV of this document. There has been no significant change in the financial or trading position of the Operating Group since 31 October 2013, the date to which the last audited financial information of the Operating Group was prepared.

19.3 The costs and expenses relating to the Placing payable by the Company are estimated to amount to approximately £1.3 million (excluding VAT).

19.4 The financial information set out in this document relating to RAL does not constitute statutory accounts within the meaning of section 434 of the Act. Statutory accounts of RAL for each of the three financial years ended 31 March 2011, 30 April 2012 and 30 April 2013 have been delivered to the Registrar of Companies in England and Wales. Canteloves Limited of 92 Cromer Street, London, chartered certified accountants and registered auditors, was the auditor of RAL for the financial years ended 31 March 2011 and 30 April 2012. PricewaterhouseCoopers LLP was the auditor of RAL for the financial year ended 30 April 2013.

19.5 Cenkos is registered in England and Wales under number 05210733 and its registered office is at 6.7.8 Tokenhouse Yard, London, EC2R 7AS. Cenkos is regulated by the Financial Conduct Authority and is acting in the capacity as nominated adviser and broker to the Company.

19.6 PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the inclusion in this document of their reports set out in Part III and has authorised the contents of its reports set out in Part III, for the purposes of Schedule 2 of the AIM Rules, in the form and context in which they appear.

19.7 Cenkos has given and has not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

19.8 Save as disclosed in this document there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.

19.9 Save as otherwise disclosed in this document:

- (a) the Company does not hold a proportion of the capital of any undertaking likely to have a significant effect on the assessment of the Company's assets and liabilities, financial position or profits and losses;
- (b) the Company has no principal investments for the period covered by the historic financial information contained in this document, and has no principal investments in progress and no principal future investments in relation to which it has made a firm financial commitment; and
- (c) as far as the Directors are aware;
  - (i) there are no environmental issues that may affect the Group's utilisation of its tangible fixed assets;
  - (ii) there are no known trends, uncertainties, demands, commitments or events that have or may have had in the last 12 months preceding the publication of this document a significant effect on the financial position of the Group or which are likely to have a material effect on the Group's prospects for the next 12 months;
  - (iii) the Group is not dependent on any intellectual property, patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are of material importance to its business or profitability; and
  - (iv) there are no exceptional factors that have influenced the Group's activities and there have been no interruptions in the business of the Group.

19.10 Save as otherwise disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

- (a) received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or
- (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission:
  - (i) fees totalling £10,000 or more;
  - (ii) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
  - (iii) any other benefit with a value of £10,000 or more at the date of Admission.

## **20 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of this document will be available free of charge during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the date following one month after the date of Admission at the registered office of the Company at 25 Eccleston Place, London SW1W 9NF.

Dated 24 April 2014

