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The Company and the Directors whose names appear on page 5 of this document accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for all of the Existing Ordinary Shares and the Placing Shares to be admitted to trading on the London Stock Exchange's AIM market. It is expected that trading in the Ordinary Shares will commence on AIM on 28 June 2021. **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. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

A copy of this document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading of all of the Ordinary Shares of the Company in issue. This document does not comprise a prospectus for the purpose of the FSMA and the Prospectus Rules of the FCA and has not been pre-approved by the FCA pursuant to section 85 of FSMA. This document does not constitute a financial promotion and has not been approved for issue as such in the United Kingdom for the purposes for Section 21 of FSMA.

The whole of this document should be read. Your attention is particularly drawn to the Risk Factors set out in Part II of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of these Risk Factors.

itim Group plc

(Incorporated in England and Wales with company number 03486926)

Placing of 5,194,806 new Ordinary Shares at 154 pence each Admission to trading on AIM

WH IRELAND
CAPITAL MARKETS

Nominated Adviser and Broker

Ordinary Share capital on Admission

Issued and fully paid

	<i>Number</i>	<i>Aggregate Nominal Value</i>
Ordinary Shares of 5p each	31,210,607	£1,560,530

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, expressed or implied, is made by WH Ireland Limited as to any of the contents of this document. WH Ireland Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter.

The distribution of this document outside the UK may be restricted by law and therefore any persons outside the UK into whose possession this document comes should inform themselves about and observe any such restrictions as to the Ordinary Shares and the distribution of this document. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside of the UK. This document does not constitute an offer to sell, allot or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer is unlawful. In particular, this document is not for distribution, directly, or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or to any national, resident or citizen of the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or the United States, except in compliance with applicable securities laws.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) or under the securities legislation of any province or territory of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, the Republic of South Africa or to any national, citizen or resident of the United States, Canada, Australia, Japan, the Republic of Ireland, or the Republic of South Africa. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither the United States Securities and Exchange Commission, nor any securities commission or other regulatory authority of the United States or any State or District of it has approved or disapproved of, or in any way passed on the merits of the securities referred to herein or the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States of America.

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 28 June 2021 (or such later date as the Company and WH Ireland may agree, being not later than 30 July 2021). The Placing Shares will, upon Admission, rank *pari passu* in all respects and

will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. 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.

Copies of this document will be available for collection, free of charge, from WH Ireland Limited, 24 Martin Lane, London EC4R 0DR for one month from the date of this document. No person has been authorised to give any information or to make any representation about the Company and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in the Company's affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or regulation.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of Association of the Company.

ROUNDING

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

NO INCORPORATION OF WEBSITE INFORMATION

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

INTERPRETATION

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions". All times referred to in this document are, unless otherwise stated, references to London time. All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof. Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

NOTICE TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Rules"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"); and (ii) eligible for distribution through all distribution channels as are permitted by the UK Product Governance Rules (the "UK Target Market Assessment").

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary

Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment").

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

For the avoidance of doubt, each of the UK Target Market Assessment and the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of COBS of MiFID II, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

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

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact, contained in this document constitute "forward looking statements". In some cases forward looking statements can be identified by terms such as "may", "intend", "might", "will", "should", "could", "would", "believe", "forecast", "anticipate", "expect", "estimate", "predict", "project", "potential", or the negative of these terms, and similar expressions. Such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the AIM Rules for Companies, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors may emerge from time to time that could cause the Company's business not to develop as it expects, and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements except as required by law.

CONTENTS

Directors, secretary and advisers	5
Placing statistics	6
Expected timetable of principal events	6
Definitions	7
Glossary	10
Part I: Information on the Company	11
Part II: Risk factors	29
Part III: Historical financial information	38
Section A: Accountant's report on the Historical financial information of itim Group Plc	38
Section B: Historical financial information of itim Group Plc	40
Section C: Accountant's report on the Historical financial information of EDI Plus Limited	67
Section D: Historical financial information of EDI Plus Limited	69
Part IV: Taxation	86
Part V: Additional information	88

DIRECTORS, SECRETARY AND ADVISERS

Directors	<p>Michael Edward Wilson Jackson (<i>Non-Executive Chairman</i>) Mahmood Ali Athar (<i>Chief Executive Officer</i>) Ian Dennis Hayes (<i>Chief Financial Officer</i>) Sandra Sofia da Costa Ribeiro (<i>International CEO</i>) Justin Matthew King (<i>Non-Executive Director</i>)* Lee James Williams (<i>Non-Executive Director</i>)* Frank Lewis (<i>Non-Executive Director</i>)* Robert (Bob) Nicolas Frosell (<i>Non-Executive Director</i>)</p> <p><i>(*Proposed Directors, whose appointments will become effective on Admission)</i></p> <p><i>all of the Company's registered office</i></p>
Company Secretary	Ian Hayes
Registered office	2nd Floor Atlas House 173 Victoria Street London SW1E 5NH
Website	www.itim.com
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Auditors and Reporting Accountants	RPG Crouch Chapman LLP 5th Floor 14-16 Dowgate Hill London EC4R 2SU
Solicitors to the Company (United Kingdom)	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF
Solicitors to the Company (Portugal)	PLMJ Advogados, SP, RL Porto Office Park Av. de Sidónio Pais, 153 4100-467 Porto Portugal
Solicitors to the Nominated Adviser & Broker	Squire Patton Boggs (UK) LLP Premier Place 2 & A Half Devonshire Square London EC2M 4UJ
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD
Financial PR	Hudson Sandler LLP 25 Charterhouse Square London EC1M 6AE

PLACING STATISTICS

Placing Price	154 pence
Number of Existing Ordinary Shares in issue at the date of this document	25,784,253
Number of Ordinary Shares to be issued on Admission pursuant to the JK Option (Tranche 1)	231,548
Total number of Ordinary Shares held by existing shareholders and Directors on Admission	26,015,801
Number of new Ordinary Shares being placed	5,194,806
Estimated gross proceeds of the Placing	£8 million
Estimated net proceeds of the Placing	£6.9 million
Percentage of the Enlarged Issued Share Capital represented by the Placing Shares	16.6 per cent.
Number of Ordinary Shares in issue immediately following Admission*	31,210,607
Market capitalisation of the Company at the Placing Price	£48.1 million
ISIN	GB00BMD2H500
SEDOL	BMD2H50
LEI number	213800X45NVO9ISED685
AIM symbol	ITIM

* including the Placing Shares and the JK Option (Tranche 1)

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	21 June 2021
Expected date of Admission and commencement of dealings in the Enlarged Issued Share Capital on AIM	28 June 2021
CREST accounts to be credited with Placing Shares	28 June 2021
Despatch of definitive share certificates in respect of Placing Shares (where applicable)	by 13 July 2021

Save for the date of publication of this document, each of the dates and times above are subject to change. Any such change, including any consequential change in the Placing statistics above, will be notified to Shareholders by an announcement on a Regulatory Information Service.

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meanings:

“Act”	the Companies Act 2006, as amended from time to time
“Admission”	admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“Admission Document”	this document
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Compliance Committee”	the AIM compliance committee of the Board, as constituted from time to time
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
“Ali Athar Concert Party”	a concert party for the purpose of the Takeover Code which comprises Ali Athar, Nazam Limited (owned by the Namza Trust of which Ali Athar's wife is a beneficiary) and Rowanmoor Trustees Limited (Designation: 09/9071) (Ali Athar's pension fund), as more fully described in the footnote of paragraph 6.1 of Part V and also detailed in paragraph 27 of Part I and paragraph 14 of Part V of this document
“Articles of Association” or “Articles”	the articles of association of the Company
“Audit Committee”	the audit committee of the Board, as constituted from time to time
“Broker”	WH Ireland, in its role as broker to the Company
“City Code” or “Takeover Code”	the UK City Code on Takeovers and Mergers
“Company” or “itim”	itim Group plc, a company incorporated in England and Wales and registered with Company number 03486926
“Covid-19”	a strain of coronavirus that has resulted in a global pandemic (also known as “2019 novel coronavirus” “Covid-19” or “2019-nCoV”)
“CREST”	the electronic system for the holding and transfer of shares in dematerialised form operated by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
“Curtis Family”	which comprises the personal holdings of Simon Marc Curtis, Sarah Jane Curtis and Rowanmoor Trustees Limited (Designation: 09/4077) (Simon's pension fund)
“Directors” or “Board”	the directors of the Company whose names appear on page 5 of this document, including the Proposed Directors, and “Director” shall mean any one of them
“Disclosure and Transparency Rules” or “DTRs”	the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of FSMA
“Enlarged Issued Share Capital”	the issued share capital of the Company immediately following Admission, including the Existing Ordinary Shares and the Placing Shares

“Euroclear”	Euroclear UK & Ireland Limited
“European Union” or “EU”	has the meaning given to it in Article 299(1) of the Establishing the European Economic Community Treaty as amended by, among others, the Treaty on European Unity (the Maastricht Treaty), the Treaty of Amsterdam and the Treaty of Lisbon
“Executive Directors”	each of Ali Athar, Ian Hayes and Sandra Ribeiro
“Existing Ordinary Shares”	the 25,784,253 Ordinary Shares in issue at the date of this document
“FCA”	the Financial Conduct Authority of the United Kingdom
“FCA Rules”	the FCA Handbook of Rules and Guidance
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiaries from time to time
“HMRC”	Her Majesty’s Revenue & Customs
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“itim Limited”	itim Limited, a company incorporated in England and Wales and registered with Company number 03208792
“JK Option (Tranche 1)”	The first of three tranches of options over Ordinary Shares to be issued to Harbury House Limited, a company controlled by Justin King which are issued subject to the satisfaction of certain conditions, more details of which are set out in section 8.10 of Part V of this Document
“JK Option (Tranche 1) Shares”	231,548 Ordinary Shares to be issued to Harbury House Limited, a company controlled by Justin King, conditional on Admission, pursuant to the terms of the JK Option (Tranche 1)
“Lewis Family”	which comprises the personal holdings of Rowan Jane Lewis, Nicholas Peter Lewis and Rowanmoor Trustees Limited (Designation: 04/9026) (Nicholas' pension fund)
“Lock-in Agreements”	the agreements between: (1) the Company; (2) each of the Locked-in Parties; and (3) WH Ireland, as further described in paragraph 9.2 of Part V
“Locked-in Parties”	together, the Directors holding Ordinary Shares and/or their associates (Robert Frosell, Ian Hayes, Sandra Ribeiro, Michael Jackson, Ali Athar and his associate Nazam Limited, and Harbury House Limited, an associate of Justin King) and Nicholas Lewis and Rowan Lewis
“London Stock Exchange”	London Stock Exchange plc
“MAR”	the Market Abuse Regulation (EU) No. 596/2014 (as it forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018)
“Nominated Adviser” or “Nomad”	WH Ireland Limited, in its role as nominated adviser to the Company
“Non-Executive Directors”	each of Michael Jackson, Justin King, Lee Williams, Bob Frosell and Frank Lewis
“Official List”	the official list of the FCA
“Ordinary Shares”	ordinary shares of £0.05 in the capital of the Company
“Panel” or “Takeover Panel”	the Panel on Takeovers and Mergers
“Placing”	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement

“Placing Agreement”	the conditional agreement dated 21 June 2021 described in paragraph 9.1 of Part V of this document
“Placing Price”	154 pence per Placing Share
“Placing Shares” or “New Ordinary Shares”	the 5,194,806 new Ordinary Shares to be allotted and issued pursuant to the Placing
“PR”	Public Relations
“Profimetrics”	Profimetrics Software Solutions S.A., a company incorporated in Portugal, with registered number 507579011
“Proposed Directors”	Justin King, Lee Williams and Frank Lewis, whose appointments as directors of the Company are to become effective on Admission
“Prospectus Rules”	the Prospectus Regulation Rules made by the FCA pursuant to section 73(A) of FSMA
“QCA Code”	the QCA Corporate Governance Code (2018) published by The Quoted Companies Alliance, as amended or replaced from time to time
“Regulatory Information Service” or “RIS”	one of the regulatory information services authorised by the London Stock Exchange to receive, process and disseminate regulatory information in respect of AIM quoted companies
“Relationship Agreement”	the agreement dated 21 June 2021 described in paragraph 9.4 of Part V of this document
“Remuneration Committee”	the remuneration committee of the Board, as constituted from time to time
“Shareholder”	a holder of Ordinary Shares
“Share Dealing Policy”	the policy on share dealings adopted by the Company as more particularly described in paragraph 18 of Part I
“Share Option Scheme”	the Enterprise Management Incentives Share Option Plan adopted by the Company as more particularly described in paragraph 8 of Part V
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	securities held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“VAT”	UK value added tax
“WH Ireland”	WH Ireland Limited, a company incorporated in England and Wales and registered with company number 02002044, which is authorised by the FCA and acts as nominated adviser and broker to the Company
“£” and “p”	United Kingdom pounds and pence sterling, respectively

All references to times in this document are to London time unless otherwise stated. References to the singular shall include references to the plural, where applicable, and vice versa.

GLOSSARY

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

“BOPIS”	Buy Online/Pickup In-Store
“BORIS”	Buy Online/Return In-Store
“Data Centre Tiers”	Data centre tiers are a system used to describe specific kinds of data centre infrastructure in a consistent way. Tier 1 is the simplest infrastructure, while Tier 4 is the most complex and has the most redundant components. Each tier includes the required components of all the tiers below it.
“DC”	Data Centres
“Enterprise Order Management”	a system which allows retailers to route orders to meet a customer’s delivery preferences and optimise its own distribution costs
“ERP”	Enterprise Resource Planning – a business process management software that manages and integrates a company’s financials, supply chain, operations, reporting, manufacturing and human resource activities
“FIDO2”	FIDO2 is the overarching term for FIDO Alliance’s newest set of specifications
“Omni-channel”	A fully integrated approach to commerce, providing shoppers with a unified experience across all channels or touchpoints. This encompasses traditional stores, e-commerce and mobile apps
“Omnichannel Retail Index”	NRF and FitForCommerce launched the OmniChannel Retail Index in 2015 to evaluate how retailers and brands from multiple verticals were implementing key omnichannel features across web, mobile, store and cross-channel. The index examines 125 retailers across 300 criteria
“PAS”	Privileged Access Service – a term used to designate special access or abilities above and beyond that of a standard user. Privileged access allows organisations to secure their infrastructure and applications, run business efficiently and maintain the confidentiality of sensitive data and critical infrastructure
“PAM”	Privileged Access Management – Organisations implement privileged access management to protect against the threats posed by credential theft and privilege misuse. PAM refers to a comprehensive cybersecurity strategy – comprising people, processes and technology – to control, monitor, secure and audit all human and non-human privileged identities and activities across an enterprise IT environment
“SaaS”	Software as a service
“The Retail Suite”	itim’s product, an omni-channel solution that can be purchased by retail enterprises to enable them to compete in the new consumer commerce environment
“Tier 1 Retailer”	Retailers with over £1 billion in revenues
“Tier 2 Retailer”	Retailers with between £100 million and £1 billion in revenues
“Tier 3 Retailer”	Retailers with less than £100 million in revenues

PART I

INFORMATION ON THE GROUP

1. EXECUTIVE SUMMARY

Itim is a SaaS based solutions provider. It has developed an end-to-end modular platform for store-based retailers to compete with the online-only providers. The platform enables retailers to maximise their physical presence (and national inventories) whilst still embracing online solutions. This product is called The Retail Suite and more than 60 brands in the UK, Europe and South America currently have one or more modules of this platform in place.

Itim is based in England, with additional operations in Portugal, and has 149 members of staff. The Company reports strong annual recurring revenues (approximately 72 per cent.) from existing customers and in the year to 31 December 2020, the Company recorded revenues of £11.8 million and a profit before tax of £462,000.

The Board of itim is extremely experienced and in addition to the Executive Directors (see paragraph 16, below), the Board is to be strengthened by the appointments of Justin King, CBE (Sainsbury's); Lee Williams (French Connection) and Frank Lewis (a corporate governance specialist) as additional Non-Executive Directors at Admission alongside Michael Jackson (Sage) as Non-Executive Chairman.

Itim is now raising £8m to take advantage of the structural shifts in the retail sector following Covid-19 to win new customers and to advance its growth strategy. The Directors will also look to expand into new geographic territories and consider potential acquisitions, as opportunities arise. Further details on the use of proceeds are set out in paragraph 15 of this Part I.

2. OPPORTUNITY

Many market commentators are of the view that store-only retail has passed its peak; and that the disruption caused by the Covid-19 pandemic has only accelerated the trend. We are witnessing the evolution of the retail sector into consumer commerce, where consumer expectations dictate the business model. Consumers are moving, in large numbers, to shop online; and traditional retailers, in response, need to adapt the relationship between their physical and digital business models, enhance their digital capabilities and reinvent their value proposition for a digital-first world. At the same time, there are growing trends towards consumers looking to test products before purchasing online; looking for a seamless process for returns; seeking a wider choice of delivery options and more face-to-face contact for customer services and complaints.

Accordingly, for traditional retailers to be able to compete effectively with pure play online retailers in this new digital world, they need to leverage technology systems that efficiently deliver cross-channel experiences for consumers; whilst continuing to differentiate from online-only offerings through more diverse delivery options and a more personalised service. Calculations suggest retailers may need to cut costs by 20 per cent. to 50 per cent. in the years ahead if they are to remain profitable and therefore traditional retailers are seeking cost effective solutions; whilst also considering higher efficiencies and optimisation.

The Directors believe that the solution for traditional retailers is a concept known as omni-channel retailing. Itim's product, The Retail Suite, is an omni-channel platform that can be adopted by retailers, allowing them to compete with pure play online competitors, in the new consumer commerce environment.

For example, online business models are typically only centred on home delivery and utilise products from central (mostly national) warehouses whereas research demonstrates that consumers want more choice. The omni-channel retailers can address this growing appetite for more complex customer options. Product delivery from the omni-channel retailers includes the home delivery option already offered by online only companies, but also offers click-and-collect and despatch from store (for delivery, often same day, using local courier networks). As set out above, research also suggests consumers are looking for a seamless process for product returns and more face-to-face contact for customer services and complaints. This gives the traditional retailers a significant advantage over their online-only competitors by enabling them to utilise their traditional brick and mortar stores to offer more choice to the consumer's shopping experience. It is this combination of a digital approach

to consumer engagement integrated with store based solutions that is the basis of omni-channel retailing.

Itim offer a subscription (SaaS) omni-channel model with little or no upfront costs for the customer, which the Directors believe, allows retailers to enter the world of omni-channel retailing faster and at much lower cost than if they were to explore the option themselves. In addition, The Retail Suite is an end-to-end platform with built in optimisation capabilities, which the Directors believe (and itim's customers confirm) allows retailers to incorporate some of the cost reductions that are required if they are to remain competitive. The Directors believe this approach and the effective solution offered by The Retail Suite, is why many of itim's customers already utilise some or all of itim's products.

Accordingly, as the world starts to open up after Covid-19, the Directors believe that more and more traditional retailers recognise the need to adopt omni-channel best in class processes and practices; that itim's products and platform are the solution and that now is the time for investment and growth.

3. UNDERSTANDING OMNI-CHANNEL

Omni-channel retail is a fully integrated approach to commerce, providing shoppers with a unified experience across all channels or touchpoints. This encompasses traditional stores, e-commerce and mobile apps.

For the consumer, this experience could incorporate any of the following choices:

- Home Delivery – next day – a consumer could browse a product on the website and add it to an online basket for delivery at home from a central warehouse (usually the next day).
- Home delivery – Same day / 1 hour – the consumer could use their mobile to look at a stock of products in the local store and can place an order for the store to deliver to them through a local courier within the hour.
- Click and Collect – the consumer could browse store stock online, and order a product for collection in their local store within the next 30 minutes.
- Curated Orders / monthly subscriptions – as retailers build a database of customers' individual information, and begin to understand customer preferences, they have no need to wait for an order. They send what they believe the consumer needs, being a curated basket from the local store or from their warehouse in exchange for a monthly subscription fee.
- Customer Returns – a customer who has for example, bought the wrong size or product, can liaise with their local store to facilitate a swift exchange.

The Directors believe that retailers with stores who embrace the omni-channel retail model can offer many more consumer choices, better service, and even more convenience than their online only competitors.

By way of example, some of the retailers that have led the industry in the development of omni-channel business model in the UK are:

- Argos – arguably the first retailer to offer click and collect services in the UK;
- Screwfix – which started as an online retailer and which has diversified to open 750 stores throughout the UK and tripled revenue;
- Next – who offer click and collect and dispatch from store both for their own products and other brands. Next recently took a 25 per cent. stake in retailer Reiss to put their products on to the Next Omni-channel platform.

4. BACKGROUND TO ITIM

Itim Limited was established in 1993 by its founder, and current Chief Executive Officer, Ali Athar. Itim was initially formed as a consulting business, helping retailers effect operational improvement. From 1999, the Company began to expand into the provision of proprietary software solutions and by 2004 the Company was focused exclusively on digital technology. Itim has grown through a series of acquisitions of small, legacy retail software systems and associated applications which itim has redeveloped to create the holistic end-to-end solution for retailers that supports Omni-channel retailing through the internet.

The acquisitions undertaken by itim have been as follows:

Date	Acquisition	Details
1999	Datafit Limited	An Electronic Point of Sale (EPoS) application which has been redeveloped as part of the Retail Suite
2003	Zygon Limited	The Zygon product, a proprietary catalogue management system which has been redeveloped as part of the Retail Suite
2005	AIM Commercial Systems Limited	Reflex, which has been redeveloped as an integral part of The Retail Suite and Didos (invoice matching product) which is sold individually (see paragraph 6.2) below
2008	Profimetrics Software Solutions SA	Profimetrics, itim's optimisation suite of products and also the Company's operational presence in Portugal
2020	EDI Plus Limited	Provides Electronic Data Interchange solutions (EDI) to retailers and wholesale sector (see paragraph 6.2 below)

In addition to providing the software that is the basis for the Group's current operations, the acquisitions set out above delivered a customer base to itim, and a significant majority of the customers inherited through these acquisitions remain customers of itim.

5. KEY STRENGTHS

The Directors believe that the Group has the following key competitive strengths:

- **Growing business** – itim has grown its annual recurring revenue by 55 per cent. since 1 January 2018. The Company's growth strategy is to increase its client base, expand in to new territories and undertake acquisitions where appropriate to enhance its product and customer portfolio;
- **Blue-chip customer base** – itim's products are utilised by over 60 global brands. The Directors believe that the success in selling itim's products across a wide variety of high quality customers illustrates the quality of the itim offering and the potential for increased sales;
- **High quality product offerings** – the Directors believe that itim's products compare positively with those of its competitors, in terms of their functionality, the benefits that their use brings to customers, and the extent to which they address the new issues faced by customers as a result of changing technologies and the emerging retail business models;
- **Diversified portfolio** – itim has developed a portfolio of products, all of which are operational, and all of which have live customer installations. The Directors believe that this diversity will be a driver of growth for the Group, as future prospects are not dependent on a single product;
- **The Retail Suite** – itim's launch of its Retail Suite as a successful cloud based omni-channel platform has brought together all itim's applications into a single cloud based platform which is easy for retailers to adopt and provides them all the functionality needed to run an efficient retail business;
- **Strong management team** – itim's management team is highly experienced within both the software and retail sectors. The Directors believe the quality, skills and knowledge of the Board will enable the Company to deliver its growth strategy;
- **International exposure** – itim has customers in the UK, Spain, Portugal, USA and throughout South America. The Directors believe that the international potential customer base for the Group's products creates a significant opportunity for the Group;
- **Strong intellectual property portfolio** – itim directly owns all of the intellectual property in its software applications which, the Directors believe, increases the Group's potential profit margin and the Group's control over its software and its sales cycle;
- **High barriers to entry** – the software used by itim has been developed over a number of years. Likewise, it has taken a number of years to build up itim's customer relationships and

the associated credibility within its customers' industries and geographies. The Directors believe the combination of technology required and trust from the customer base in the Company's products is very hard to replicate and therefore creates considerable barriers to entry for potential new competition.

6. COMPANY'S PRODUCTS AND INTELLECTUAL PROPERTY

The Group's main products are as follows:

- The Retail Suite – the Company's flagship fully integrated omni-channel platform. Brands using these products include Majestic Wine and the Entertainer;
- Profimetrics – the Company's stock optimisation module. Brands using these products include JCPenney, Pao de Acucar and Macro;
- Didos – the Company's invoice matching and supplier payments module. Brands using these products include Sainsbury's, John Lewis and WH Smith; and
- EDI Plus – which provides Electronic Data Interchange Solutions and services to the retail and wholesale sector (which was acquired by itim in November 2020). Brands using these products include McDonalds, Whitbread and Costa Coffee

These products represent the Company's proprietary software and the Group retains all intellectual property rights used within its software.

Further details of the Company's products are set out below:

6.1 The Retail Suite

The Retail Suite has been in development by itim for more than 17 years; it is the Company's proprietary end-to-end modular omni-channel platform and is the Group's core product offering. It provides customers with a retail specific, end-to-end, omni-channel solution covering software, services and hosting; and is targeted at retailers with annual revenues of £100m to £1bn. Itim typically takes an annual subscription fee for the provision of this platform. The platform is currently hosted in data centres in Farnborough and Milton Keynes.

A visual description of the platform is set out below:

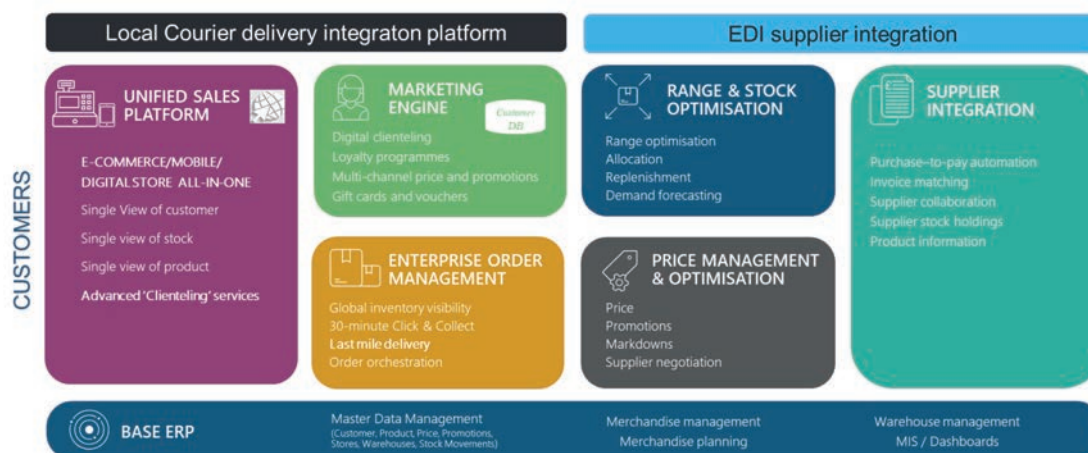


Figure One – The Retail Suite

Itim's The Retail Suite consists of the following modules, each of which have been developed and built in-house.

- **Base ERP (Enterprise Resource Planning)**

The base ERP applications are designed to support end-to-end administrative and operational business processes by integrating all data from other modules into a data warehouse to allow for management and business reporting. The includes: basic product management, stock management, supplier setup, merchandise management and price and sales management capabilities including integration with finance.

- **Unified Sales Platform**
The Unified Sales Platform provides a retailer with a single view of product, stock and the customer across retailers' sales channels and includes solutions for stores, online and wholesale. It also provides the retailer with a single sales platform for selling on the internet, in-store, on mobiles and also supports wholesale and franchise sales.
- **Enterprise Order Management**
Enterprise Order Management is key to omni-channel retailing allowing for a retailer to meet a customer's delivery preferences and optimise its own distribution costs. This includes incorporating aspects such as a real-time view of stock; facilitating the customers' choice of delivery; keeping track of order history and joining up returns management. In turn, this allows retailers to route the order to wherever the retailer holds stock, which can be a store, warehouse or supplier. The order management system is linked to courier platforms allowing retailers to have couriers pick and deliver orders on their behalf. It is the order management system that allows retailers to offer 'click and collect' or 'same day' delivery routed from their stores making them a genuine omni-channel offering.
- **Marketing Engine**
Itim has developed a customer database that provides a single view of customers across all their selling channels. It allows retailers to understand their customer's preferences, based on their purchases and likes, and browsing history. This enables the retailers to undertake more targeted marketing campaigns. When combined with itim's promotions engine, a cross channel voucher distribution and management system, and an integrated loyalty and gifting programme the Directors believe this module provides a set of features that allows retailers to market more effectively to consumers.
- **Stock Optimisation**
Part of the Profimetrics platform, Stock Optimisation is a powerful Artificial Intelligent based stock allocation and replenishment system, which uses advanced forecasting to optimise inventory distribution across locations. This allows retailers to guarantee high levels of availability at the lowest level of inventory investment.
- **Price Optimisation**
Part of the Profimetrics platform, itim's Price Optimisation is an AI based price, promotions and mark downs optimisation system allowing retailers to maximise cash margin without impacting sales.
- **Supplier Integration**
The Directors believe that the key to reducing costs and serving customers more effectively within a retailer is the ability to connect and integrate with their suppliers. These modules integrate invoice matching and supplier payments; supplier portals; EDI services; and supplier deals management.

6.2 **Modules Sold independently**

For customers who do not want to acquire The Retail Suite they can, instead, subscribe to modules or elements of the platform. These are currently supplied under their own brand names:

- **Profimetrics**
Profimetrics is an operational platform for managing and optimising price, stock, promotions and markdowns throughout the product lifecycle. In a single, integrated platform, it assists retailers in optimising stock levels and product margins. Within the Profimetrics platform, there are three main applications available for customers to implement:

- o *Pricing Lifecycle Optimisation*
Profimetrics helps retailers implement and manage pricing and promotional strategies that can be evaluated, optimised and adjusted when competitors try to disrupt them.
- o *Stock Optimisation*
The Profimetrics platform delivers self-adjusting stock management recommendations that allow users to work by exception. It also ensures optimal replenishment methods and recommendations for each product in each location; and facilitates the transfer and balance of inventory between stores without the need for a centralised Distribution Centre.
- o *Cost Optimisation*
The Profimetrics platform allows retailers to optimise supplier rebates, deals and incentives such that it allows them to align and maximise product costs and margins.
- **Didos**
Didos is itim's invoice matching solution, which allows retailers to automate previously labour intensive tasks. It can identify matching invoices, credit notes, receipts and returns; identify price and quantity queries; raise debit notes or credit claims; accept undercharges; post cleared invoices to the purchase ledger; and raise debit notes or credit claims for returns.
- **EDI Plus**
Acquired by itim in November 2020, EDI Plus provides Electronic Data Interchange solutions and services to the retail and wholesale sector, enabling trading partners to exchange business information using a standard electronic format, replacing paper documents such as orders, invoices, delivery notes and receipts.

EDI Plus offers a fully managed service to enhance the exchange of information with suppliers and customers alike from web portals and web services to e-invoicing solutions.

6.3 Other Products

Other packages owned by the Group, which the Directors believe, could be sold independently in the future include:

- Marketing Engine – This is itim's central customer database.
- Chameleon – This is itim's EPOS solution which is part of The Retail Suite, and which the Company may explore developing as a standalone product in the future.
- Itim HUB – This is an application which is currently in development by the Didos and EDI Plus team; the intention is that in future suppliers will also be able collaborate as part of the omnichannel experience.
- Cloud Hosting – The Company has developed private, dedicated hosting services for its customers. The Company has begun to offer hosting services to its customers for other products not offered by itim. In the future, the Company may explore offering the cloud hosting services to a wider selection of non-customer companies.

7. UNDERSTANDING THE PLATFORM

The itim retail platform is a cloud-based system; which is dedicated solely for the use of itim customers, the Directors believe this permits an agile response to the ongoing service and an extremely low level of downtime.

The infrastructure includes dual co-location data centres in Farnborough and Milton Keynes (provided by third parties) and a full disaster recovery platform.

7.1 Hardware

Itim has high standards for all its data centres and requires the following criteria to be met as a minimum:

- To hold, at least, an ISO27001 accreditation
- Dual comms ingress to site and multi-pathed cabling (sometimes known as R02)
- Power smoothing to the entire room, generators providing a minimum of 24 hours power to site
- 24/7 guided access
- The DC must be purpose built and no DC on the ground floor
- Fire suppressors
- Security features including man traps; patched secure access rooms; highly restrictive named and auditable access to the DC; and auditable CCTV
- Location with the lowest possible security threat; and in the UK
- Differing Co-Location providers for live and disaster recovery to mitigate risk

The co-location provider for itim's live site is Exponential-E at their ARK, Tier 3 data centre located in Farnborough.

Itim's disaster recovery site is located in Milton Keynes with a different provider to mitigate risk. The provider of this site is Pulsant who own and operate a network of UK enterprise class (considered Tier 4) data centres.

7.2 Software

Itim's platform is built using standard Microsoft dot.net internet technologies and using Microsoft and Oracle database software components. Itim is a Microsoft and Oracle gold partner. In addition, the itim cloud utilises Hyperconvergence provided by VMWare; itim also uses a multi-tiered approach to intrusion prevention utilising products provided by VMWare, Juniper and Nessus.

Itim has invested in the applications it has developed which are targeted specifically for omni-channel retailers. It owns all of the intellectual property rights of these applications, but also partners with specialist application providers as and when appropriate.

Disaster recovery is managed at a block level with Veeam's replication software; offering a Recovery Time Objective ("RTO") of 30 minutes. Veeam replicates all changes continuously across to itim's disaster recovery site; and because itim use 100 per cent. flash SSD storage and powerful CPUs, the Company can keep a low RTO of 30 minutes and an RTA (Recovery Time Actual) of 1 to 30 minutes. Furthermore, Veeam Backup and replication Enterprise take the place of a traditional tape back-up. A full image of the server is taken and stored both locally on site at Farnborough and at the Milton Keynes Disaster Recovery site to ensure the highest level of disaster recovery planning.

Anti-virus software is included for all servers in the data centre; itim use Trend Micro Deep Security on the hypervisor layer so as not to impact the individual virtual guest performance. The Directors believe this is the market leader anti-virus used for virtual environments and represents 'best in class'. Furthermore, to protect against unauthorised access itim uses PAS and PAM through Centrify which also provides it with Multi-factor authentication. Itim can also use FIDO2 approved physical access keys such as a Yubikey for the most secure support where needed. Finally, for additional protection, itim run differing security software and hardware products at the entry-point, namely Juniper Firewalls, VMware NSX and vulnerability assessments, testing for flaws, using Nessus by Tenable. To protect against cryptolock and ransomware attacks, itim use hardened immutable backup repositories for the most vulnerable sets of data. In addition offline cold backups are implemented for key customers.

For monitoring, itim use SQL monitor by Redgate, to monitor the SQL databases. The Directors believe this to also be a 'best in class' solution because instead of just monitoring and alerting, this software can be used to diagnose current and historic problems with the SQL database. This in turn ensures that the itim database service team can provide quick resolutions to

problems and can provide pro-active efficiencies back to the developers. To monitor networks, server hardware, switching, firewalls and interfaces itim uses Netcrunch by Adrem, which provides a dashboard of system performance to ensure itim's employees are constantly updated with real time data on their systems

The Directors are mindful that all software technologies trend and change, and accordingly the Company is committed to maintaining a current, modern and reliable platform.

Itim has, over the last 17 years, invested in research and development which is reflected in the capitalisation in intellectual assets in its balance sheet.

8. COMPANY STRATEGY

The Directors believe that growth in their business will be principally driven by the Group's end-to-end omni-channel solution (The Retail Suite), as well as the sale of other individual platforms and modules to larger retailers and, if appropriate, through potential acquisitions. Specifically, the Directors believe that the growth will come from:

- Building on the success to date of The Retail Suite in the UK as a platform of choice for omni-channel retailing for Tier 2 retailers. The Directors believe the Group has a significant opportunity to increase the size of its current customer base and intends to grow its client base, both in the UK and internationally;
- Continuing to sell Profimetrics and Didos to Tier 1 retailers and increasing sales internationally;
- Turning other modules in The Retail Suite into discreet applications capable of being sold as standalone independent products;
- Making acquisitions to expand into new territories, to acquire customers (with the intention to cross selling The Retail Suite to them) or adding in capabilities such as transactional software of local courier platforms; and
- Using The Retail Suite to target other retail verticals, such as owners of shopping centres and online-only retailers. A range of online-only retailers are now reversing into physical store space and the Directors believe they will need to implement an omni-channel solution to ensure the availability of stock across all platforms.

9. INDUSTRY TRENDS

As set out above, traditional retailers are scrambling to keep up with changing shopper expectations, against a background of shifting market forces. It is the general view, which is supported by the Directors that the Covid-19 pandemic has accelerated these changes, not least because it has introduced many consumers to digital solutions that they had not utilised before. As of May 2020, 66 per cent. of global consumers were omni-channel shoppers, with the rates higher in Asia-Pacific (78 per cent.) and Africa–Middle East (75 per cent.). The Directors believe the retail industry is expected to be split into two core business models:

- Online only business model; and
- Store based omni-channel retailers.

Coupled with this shift, the Directors have observed the following trends emerging:

Continued shift to online shopping

Digital commerce sales continue to take a greater share of overall retail sales. In 2019, ecommerce represented 21 per cent. of total retail sales, up from 18 per cent. in 2018. The Covid-19 pandemic has accelerated digital adoption for both retailers and consumers, and in 2020 total UK retail sales online reached 31.3 per cent. The Directors believe that this trend will continue.

Focus on convenience has driven cross-channel selling

Market research suggests that seamless and integrated shopping experiences, across all customer touchpoints, are now expected by consumers in their retail experiences. Before the Covid-19 pandemic, services such as Buy Online/Pickup In-Store (BOPIS) and Buy Online/Return In-Store (BORIS) had seen significant increases as retailers focused on meeting shopper demands for more options and greater convenience.

The Directors believe both BORIS and BOPIS offer a way to bridge the digital-physical divide, making it a critical element of the omnichannel retail experience; Argos, John Lewis and Screwfix being just some of the brands that have used this service effectively. In a pre Covid-19 world, retailers that offered BOPIS also enjoyed the benefit of being able to promote potential add-ons and impulse purchases when customers picked up orders at the store.

In 2016, only 33 per cent. of retailers and brands benchmarked in the Omnichannel Retail Index offered Buy Online/Pick Up In-Store options. In 2019, the adoption of BOPIS reached 66 per cent., with 45 per cent. offering same day pickup. The Covid-19 pandemic has catapulted buy online/pick up in-store services into an essential part of doing business. By some estimates, BOPIS orders have increased by as much as 200 per cent. in just the first half of 2020, and many retailers, including companies such as PC World, have extended basic BOPIS to include curbside pickup options.

Additionally, the ability to buy a product online and return it in a local store quickly has become an essential capability for retailers. Offered by 83 per cent. of retail companies, the Directors believe Buy Online/Return In-Store (BORIS) is one of the most implemented cross-channel functionalities in the Omnichannel Retail Index.

Personalisation

Market commentators also report that retailers that personalise as many touchpoints as possible across marketing and shopping channels are more likely to achieve higher ROI. In addition to in-store upsell opportunities, there will be digital opportunities as well. Accordingly, the Directors believe that retailers must dedicate resources to extending and improving the performance of product recommendations, enhanced content, and other opportunities to personalise the retail experience at all touchpoints.

Dispatch from Store

Unlike pure online retailers, omni-channel retailers are able to offer dispatch from store services based around local couriers. In addition to click and collect, this gives them a competitive edge over online only retailers as it allows them to offer shorter delivery times; easy points of return and enhanced shopping journeys and customer experiences.

Personal Shopping Services

Personal shopping services such as subscription services are becoming more popular; omni channel retailers have a unique advantage in that they can provide these services based around staff in store linked digitally to their VIP customers through mobile apps.

10. COMPETITORS LANDSCAPE

Itim operates in a competitive market place. Competition for each standalone product is intensive. The Directors believe most of itim's modules are competitive with 'best of breed' suppliers in each area, the key differentiator for itim is that all these applications are pre-integrated into its platform (The Retail Suite) significantly reducing the costs of implementation and speed of adoption.

The Group has four key categories of competitors which can be summarised below:

ERPs (Enterprise Resource Planning)

Historically there have been three main ERP providers: Oracle, Microsoft and SAP. These vendors have traditionally sold their software through implementers and systems integrators. The Directors believe that this is a high cost model for any business to buy into as a result of the number of systems integrators and consultants involved in the process. In addition, ERPs need to be tailored to suit specific retailer needs and as a result, these vendors are required to carry out bespoke coding which leads to dependency on implementers and systems integrators. Itim's system can be differentiated from the ERP systems because of their specific focus on omni channel retailing.

Best of Breed Vendors

In every module of itim's platform there are 'best of breed' vendors, many retailers try and create their own omni-platform platforms by integrating many 'best of breed' applications into their own single platform. However, the Directors understand that this is expensive because of the high cost of integration and often the need for consultants to help retailers create end to end processes across multiple applications. In addition, retailers adopting this approach typically require larger IT

departments managing relationships with multiple suppliers and it can constrain the ability of retailers to change and adapt quickly to market conditions. Itim's modules on the other hand are fully integrated with built in end to end processes which the Directors believe results in lower implementation costs and smaller support costs for the retailers.

Best of Breed + ERP

Larger retailers often use a combination of ERP and Best of Breed to create their platforms. The Directors understand that this is even more expensive and time consuming. Such a competitor would require the appointment of consultants and additional suppliers, which the Directors believe could result in higher costs and high integration costs. The Directors believe these types of projects tend to have a high failure rate as a result of difficulties in integrating multiple different suppliers to deliver a single unified platform that provides seamless, end-to-end processing and, accordingly, have high costs to retailers.

Other Omni Channel Providers

There are many software vendors now claiming to provide omni-channel solutions from small players like Kibcocommerce and LS-retail to large ERP players like Oracle, Aptos and Microsoft. However, the Directors believe that itim has more depth and breadth compared to the small niche players and much more retail specialism and are more economic compared to the large ERP vendors. Consequently, the Directors believe that itim has a market place advantage.

11. TARGET MARKET AND CUSTOMER BASE

Itim has a global customer base, representing 60 brands across 10 countries. As of 31 December 2020, the geographic customer spread by revenue was: 55 per cent. in the UK, 4 per cent. in Europe and 41 per cent. in the rest of the world. A breakdown of total revenues by geographic market is set out below:

	2018 £'000	2019 £'000	2020 £'000
United Kingdom	5,047	5,449	6,506
Europe	278	248	520
Rest of World	5,292	5,985	4,794
	10,617	11,682	11,820

Itim's customers are predominantly traditional retailers, categorised as Tier-1, Tier-2 and Tier-3. Itim has customers across all tiers.

Tier-1 retailers

Retailers with over £1 billion in revenues. In the UK, there are approximately 60 retailers in this category. These retailers are unlikely to need the full Retail Suite solution because of their scale and existing IT solutions, however, itim has sold the Didos and Profimetrics solutions to a number of retailers in this category; in addition to supplying EDI Plus. Rolling out these products to Tier-1 retailers globally remains a key objective for itim.

Tier-2 retailers

Retailers with revenues between £100 million and £1 billion. In the UK, there are approximately 200 retailers currently in this category. This is the Group's core market.

Tier-3 retailers

Retailers with revenues below £100 million. The Directors believe that, given the shift to digital commerce, these retailers are likely to benefit from adopting The Retail Suite, and the Group intends to position itself as a partner for growth to smaller, ambitious retailers.

As part of the Company's growth strategy, the Directors believe that the Company has reached a point where it is fully able to demonstrate to the retail sector the strength in its product offering and proposition. Therefore, utilising part of the proceeds from the Placing, the Directors intend to invest more heavily in its national and international sales and marketing strategy.

12. ACQUISITION STRATEGY

As set out above, the Group has been built through a series of acquisitions, all of which have been fully integrated into the Group. The Directors believe that they have a successful track-record in sourcing, acquiring and integrating target companies. Itim's five-year plan includes the potential acquisition of suitable corporates. In order to be attractive such target companies would need to strengthen the product offering; enhance the Group's capabilities and/or be part of the Group's plans to expand internationally, although the Directors would consider other acquisition opportunities outside this criteria based on the individual merits the relevant opportunity.

At this time there are no current acquisition targets in mind, and any proposed acquisition would be subject to a high standard of due diligence and board deliberation before progressing.

13. SUMMARY OF FINANCIAL INFORMATION

The following summary of the financial information relating to the Group's activities for the three years to 31 December 2020 has been extracted, without material adjustment, from the financial information on itim set out in Part III of this document. **In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read this document as a whole and not rely solely on the key or summarised information in this section.**

	Year ended 31 December 2018 (Audited) £'million	Year ended 31 December 2019 (Audited) £'million	Year ended 31 December 2020 (Audited) £'million
Revenue	10.62	11.68	11.82
Gross profit	4.39	4.76	4.71
Operating profit	0.39	0.42	0.64
EBITDA	0.71	1.17	1.53
Profit after tax	0.33	0.49	0.96

Revenue increased by £1.2 million between the years ended 31 December 2018 and the year ended 31 December 2020, representing a 11.3 per cent. increase over the period. This increase was driven primarily by an increase in customer numbers for itim's core products and the acquisition of EDI Plus in 2020 also contributed to the increase. The net asset value per ordinary share of £0.01 as at 31 December 2020 was 3.93 pence (equivalent to 19.64 pence per Ordinary Share of £0.05 following their consolidation).

EDI Plus was acquired by itim in November 2020 and consolidated into the financial statements for the financial year ending 31 December 2020 from 30 June 2020. EDI Plus is expected to form a significant part of the Group going forward. Historic financial information on EDI Plus has been included in Part III Section C and D in this document. We also draw your attention to Note 18 'Business Combination' on Page 59 of this document.

14. CURRENT TRADING AND PROSPECTS

The financial information for the Group for the twelve month period ended 31 December 2020 is set out in Part III of this Document.

Since 31 December 2020, trading in the Group's core businesses has been in line with the Directors' expectations with the only significant change being the repayment of £300,000 of Ali Athar's loan with the Company, see paragraph 9.7 of Part V for more details. The Group has an active pipeline of potential new customers, which should allow the Group to build on the momentum achieved in 2020. The Directors continue to implement the Group's strategy as outlined in Paragraph 8 above and the Directors remain confident about the future prospects and growth potential of itim.

15. REASONS FOR ADMISSION AND USE OF PROCEEDS

The Directors believe that Admission will position the Group well for the next stage of its development whilst enhancing the profile and standing of the Group in its target markets. It also provides more flexibility for further organic growth. Furthermore, Admission should allow the Group to attract, retain and incentivise existing and future employees and provide access to capital should additional financing be required in the future to further expand the business or the ability to issue new Ordinary Shares as consideration in connection with acquisition opportunities.

The net proceeds of the Placing are approximately £6.9 million. The net proceeds of the fundraising will be applied principally:

- to continue the development and refinement of the Company's software;
- to invest in marketing;
- to increase the international reach of the Company through investment in new territories;
- to repay £2.1 million linked to the acquisition of EDI Plus Limited;
- to advance potential M&A opportunities; and
- for working capital purposes (including repayment of related party loans, if called).

16. DIRECTORS AND EMPLOYEES

At Admission, the Board will comprise three Executive Directors and five Non-Executive Directors. Of the Non-Executive Directors, Lee Williams and Frank Lewis are considered to be independent for the purposes of the QCA Code.

Brief biographical details of the Directors are set out below. Paragraph 7.4 of Part V of this Document contains further details of current and past directorships and certain other important information regarding the Directors:

Michael Edward Wilson Jackson, aged 71 – Chairman

Michael studied law at Cambridge University, and qualified as a chartered accountant with Coopers and Lybrand before spending five years in marketing for various US multinational technology companies. He went on to found Elderstreet Investments Limited in 1990 and is its executive chairman. For the past 25 years, he has specialised in raising finance and investing in the smaller companies sector. Michael is former chairman of PartyGaming plc, Computer Software Group, Planit Holdings and until August 2006 was chairman of FTSE100 company, The Sage Group plc, where he was a board director for 23 years. He is also a director and investor in many other quoted and unquoted companies including Netcall plc and Access Intelligence.

Mahmood Ali Athar, aged 66 – Chief Executive Officer

Ali is the founder and CEO of itim and has spent over thirty years working in various capacities in the retail industry. Having graduated from Cambridge University he joined IBM where he spent five years as a data base specialist; in 1982 he started Inforem, a systems design and integration company, which had a strong focus in retail. He subsequently spent two years as a director of CSC after its acquisition of Inforem. After leaving CSC, Ali started itim as a consulting company and worked as a business transformation specialist within the retail sector with companies such as Woolworths, Booker, Burger King, Marks & Spencer, Homebase and B&Q. In 1999, itim started its move into developing technology solutions and Ali then built the Company to what it is today.

Ian Dennis Hayes, aged 56 – Chief Financial Officer

Ian is a Chartered Accountant and was appointed as Chief Financial Officer in October 2006. He qualified in 1989 before joining Coopers & Lybrand and has since held roles with AT&T and Standard & Poor's, heading up the finance function in Europe. In his recent career, Ian has been responsible for funding growth and startup businesses in the technology sector in both AIM quoted and private environments.

Sandra Sofia Da Costa Ribeiro, aged 45 – International CEO

Sandra joined itim in 2008 as General Manager for Iberia and Latin America. She brings more than 15 years' experience in margin optimisation through pricing and promotions and consultative selling of information technology solutions for the retailer community. In addition to her management responsibility for company leadership, she also manages the development and nurturing of itim's optimisation suite – Profimetrics.

Justin Matthew King, aged 60 – Non-Executive Director

Justin is also a Non-Executive Director of Marks & Spencer plc and serves on the Public Interest Body for PwC. He was Vice Chairman of Terra Firma until May 2021, where he acted as an adviser to the General Partner. Prior to this, Justin was the CEO of Sainsbury's between 2004 and 2014, where he led the business through a major turnaround which led to nine years of profit growth.

Before joining Sainsbury's, Justin was Head of Food at Marks & Spencer where he was one of the pioneers of the development of the Simply Food business.

Justin is an operational leader with over 30 years of experience at leading customer-facing businesses, including Sainsbury's, Marks & Spencer, Asda, Häagen Dazs, PepsiCo and Mars. During his 10 years as CEO of FTSE 100 retailer, J Sainsbury plc, he led the turnaround of the iconic UK brand, trebling profits and delivering a total shareholder return of 85 per cent.

Robert (“Bob”) Nicolas Frosell, aged 72 – Non-Executive Director

Bob joined itim as Operations Director in January 2009 having previously sat on itim's Board as a non-executive Director for a number of years. Bob's experience in IT spans over 30 years with many large multi-national companies. He has been the Chief Information Office at GrandMet Retailing (pubs and gastro-pubs), Pearle Vision (spectacles retailing, Burger King Corp., IMS Health (pharmaceutical information services), ACNeilson Corporation (consumer packaged goods information services) and currently CoreLogic Inc. (property information services).

Lee Williams, aged 52 – Independent Non-Executive Director

Lee is currently the CFO for French Connection joining in April 2016 from ASOS, the global online fashion destination, where he was Director of Finance. Prior to that, he was CFO of the WorldStores and Kiddicare businesses and Head of Financial Planning and Analysis at BrightHouse Group Plc. He spent the majority of the earlier part of his career at Wm. Morrison Supermarkets Plc and Kingfisher Plc in various senior finance roles. He also spent 4 years working for PwC Consulting with Retail assignments in the UK, US and Central Europe. Lee has amassed a wealth of UK and international retail experience, in both traditional multisite operations but also, importantly, online. He is a member of the Chartered Institute of Management Accountants.

Frank Lewis, aged 75 – Independent Non-Executive Director

Frank has a wealth of public company experience, having served as Non-Executive Chairman and Director for a number of international publicly-quoted firms with interests across Europe, the Far East, Middle East and Africa, which has given him a sound understanding of different business cultures and working practices, as well as considerable expertise in numerous business sectors. In addition to his non-executive roles, Frank had over 25 years of public and private company boardroom-level experience, including as Finance Director, CEO and Chairman, during which time he has been involved in numerous areas of business, including strategic planning, growth management, IPOs, corporate governance and regulatory compliance.

He is a Fellow of the Institute of Chartered Accountants in England & Wales, and was previously a member of the AIM Advisory Council, which advises the London Stock Exchange on matters relating to the AIM market.

Senior Management

Simon Evetts, aged 50 – Managing Director UK

Simon has spent more than 20 years helping retailers leverage technology to improve their financial performance, transform their operations and become truly customer centric. Simon's previous roles include Managing Director of Retail at Alvarez and Marsal, Partner at IBM Global Business Services, Chief Technology Officer at Javelin Group and Product Director at Retail Business Solutions.

Employees

The Directors believe that the recruitment, motivation and retention of highly skilled, high quality personnel is fundamental to its ability to continue to meet the requirements of its customers and to its continuing success. As at the date of this document, the Group has 149 full time employees. An analysis by entity of these employees, including the Executive Directors, is set out below:

Central management	6
Sales and marketing	7
Technical	125
Finance and administration	11
TOTAL	149

17. CORPORATE GOVERNANCE

The Directors recognise the value and importance of high standards of corporate governance and intend that the Group will comply with the QCA Code, a set of corporate governance guidelines published by the Quoted Companies Alliance, which includes a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. Full details as to how the Company complies with this Code is set out on the Company's website: www.itim.com.

The Board

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Board will meet regularly and will be responsible for the strategy for, and the performance and framework of, internal controls.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board on Admission will comprise eight Directors; of whom three are executive and five are non-executive. The Board considers two of the non-executives, being Lee Williams and Frank Lewis, to be independent and, as such, the Company complies with the requirements of the QCA Code in this regard.

The QCA Code recommends that the Board should appoint one of its independent non-executive Directors to be the Senior Independent Director. The Company has appointed Frank Lewis as its Senior Independent Director. The Senior Independent Director should be available to Shareholders if they have concerns over an issue that the normal channels of communication (through the Chairman, the Chief Executive Officer or the Chief Financial Officer) have failed to resolve or for which such channels of communication are inappropriate.

The Board has delegated specific responsibilities to the committees referred to below, all of which have written terms of reference and formally delegated duties.

Audit Committee

The Audit Committee has primary responsibility for monitoring the integrity of the financial statements of the Company, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to its financial performance, and reviewing and reporting to the board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor. The Audit Committee will meet no less than three times each year and will have unrestricted access to the Group's auditors. The Audit Committee comprises Lee Williams, Michael Jackson and Frank Lewis, with Lee Williams as Chair of the committee.

Remuneration Committee

The Remuneration Committee has responsibility delegated to it for determining the policy for directors' remuneration and setting remuneration for the Chairman and executive Directors and senior management. The Committee is also responsible for reviewing the design of all share incentive plans (including share option schemes) for approval by the Board and, where required, Shareholders and for determining each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for executive Directors and senior managers, and the performance targets to be used. The Remuneration Committee will meet at least twice each year. The Remuneration Committee comprises Michael Jackson, Bob Frosell and Justin King, with Michael Jackson as Chair of the committee.

AIM Compliance Committee

The AIM Compliance Committee has primary responsibility for ensuring itim has sufficient procedures, resources and controls in place (including without limitation appropriately documented financial policies and procedures), and that they are operating effectively from time to time, so as to ensure compliance by the Company and its directors with the AIM Rules. The AIM Compliance Committee will meet at least four times during the 12 months immediately following Admission and thereafter at least twice each calendar year. The AIM Compliance Committee comprises Michael Jackson, Lee Williams and Frank Lewis, with Michael Jackson as Chair of the committee.

18. SHARE DEALING POLICY

The Board has adopted the Share Dealing Policy in order to comply with Rule 21 of the AIM Rules relating to Directors' and Applicable Employees' (as defined in the AIM Rules for Companies) dealings in Shares. It also complies with the requirements of MAR.

The Share Dealing Policy applies to the Directors and other relevant employees of the Group. The Share Dealing Policy provides that there are certain periods during which dealing in Ordinary Shares cannot be made. Such periods include the periods leading up to the publication of the Company's financial results, including interim results, and any periods in which the Directors and other relevant employees may be in possession of unpublished price sensitive information.

In addition, a clearance procedure must be followed before any dealings by persons subject to the Share Dealing Policy can take place (including dealings by their families and other associates).

19. SHARE OPTIONS AND INCENTIVES

The Company has an historic Share Option Scheme in place, under which employees based in the UK benefit from tax advantages under the Enterprise Management Incentives regime. In addition, options to subscribe for shares have been granted to Harbury House Limited, a company controlled by Justin King, under a stand-alone agreement. At the date of this document the following options granted to Directors and employees of the Group are outstanding:

Options granted under the Share Option Scheme

Date of grant	Option holder	Number of ordinary shares subject to the option	Exercise period is from date of grant to:	Exercise Price (per share)
4/04/2015	H Gomes*	40,000	13/04/2025	£0.08
14/04/2015	S Martins*	30,000	13/04/2025	£0.08
14/04/2015	M Martins*	10,000	13/04/2025	£0.08
14/04/2015	V Nina*	10,000	13/04/2025	£0.08
14/04/2015	P Guerra*	30,000	13/04/2025	£0.08
14/04/2015	A Ferreira*	10,000	13/04/2025	£0.08
14/04/2015	L Freitas*	10,000	13/04/2025	£0.08
14/04/2015	M Gomes*	10,000	13/04/2025	£0.08
10/04/2017	I Hayes	600,000	09/04/2027	£0.15
10/04/2017	I Robson	25,000	09/04/2027	£0.15
10/04/2017	S Ribeiro*	600,000	09/04/2027	£0.15
10/04/2017	A Athar	1,200,000	09/04/2027	£0.15
10/04/2017	H Gomes*	120,000	09/04/2027	£0.15
10/04/2017	A Hussain	70,000	09/04/2027	£0.15
31/03/2020	S Ribeiro*	400,000	31/03/2030	£0.70

Stand-alone agreement

19/04/2021	Harbury House Limited**	723,589	See paragraph 8.10 in Part V	£0.691
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*Denotes options granted to employees that do not qualify for tax advantages under the Enterprise Management Incentives regime due to being employed overseas (Portugal)

**A company controlled by Justin King. Options held by Harbury House Limited over 231,548 Ordinary Shares will be exercised on Admission.

Exercise of certain options at Admission:

Save for the exercise of options over 231,548 Ordinary Shares by Harbury House Limited which are to be exercised in full at Admission the other above options will remain outstanding and exercisable following Admission.

Therefore, excluding the 231,548 options exercisable at Admission, the Company has options over 11.7% of the issued share capital at Admission.

In addition, the Directors have also taken authority over Ordinary Shares to issue further share options to certain Executive Directors and key employees as part of their contracts of employment following Admission. Any new scheme adopted will be established by the Remuneration Committee and will follow the guidelines set out in the QCA Guide for Remuneration Committees. At this stage there is no intention to issue share options over more than 10 per cent. of the fully diluted share

capital of the Company and as the current issued options exceed 10 per cent. of the fully diluted share capital, there is no intention to issue any new share options at this time.

Further details of the Share Option Scheme are set out in paragraph 8 of Part V of this document.

20. FINANCIAL REPORTING

The Group's financial year runs from 1 January to 31 December each year. It is anticipated that the preliminary statement of results for each year will be announced by the end of June and that an interim statement of the results for the first half-year will be announced by the end of September each year. It is intended to hold the Company's Annual General Meeting soon after the publication of the preliminary statement of results and in accordance with the Group's Articles.

21. DIVIDEND POLICY

The declaration and payment by the Company of dividends on the Shares and the amount will depend on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. The Directors do not intend to declare a dividend at the current time but this will be reviewed at an appropriate interval should the Group generate a sustained level of distributable profits.

22. DETAILS OF THE PLACING

The Company, the Directors and WH Ireland have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, WH Ireland has conditionally agreed to use its reasonable endeavours to procure subscribers for the New Ordinary Shares to be issued by the Company under the Placing. The Placing has not been underwritten. The Placing Shares represent approximately 16.6 per cent. of the Enlarged Share Capital.

The Placing of 5,194,806 New Ordinary Shares will raise £8 million for the Company, before expenses. The net proceeds of approximately £6.9m, together with the Group's existing resources, will be used as set out in paragraph 15 above.

The Placing Agreement is conditional, *inter alia*, upon Admission having become effective by not later than 8.00 a.m. on 28 June 2021 or such later time and date, being not later than 8.00 a.m. on 30 July 2021, as the Company and WH Ireland shall agree.

The New Ordinary Shares will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared paid or made after Admission.

The New Ordinary Shares will, following their issue, represent approximately 16.6 per cent. of the Enlarged Share Capital and the Existing Ordinary Shares will represent approximately 82.6 per cent. of the Enlarged Share Capital with a further 231,548 Ordinary Shares issued pursuant to the JK Option (Tranche 1). On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £48.1 million.

Further details of the Placing Agreement are set out in Paragraph 9.1 of Part V of this Document.

23. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

Immediately following Admission, the Locked-in Parties and their associates will be interested in an aggregate of 21,910,900 Ordinary Shares representing approximately 70.2 per cent. of the Enlarged Issued Share Capital of the Company. Under the terms of the Lock in Agreements, the Locked-in Parties have undertaken that they and their associated will not dispose of any interest they hold in Ordinary Shares for 6 months following Admission (save in certain limited circumstances) and thereafter, for a further period of 6 months, only to effect disposals of their Ordinary Shares through WH Ireland (or the brokers for the time being of the Company) to permit the maintenance of an orderly market in the Ordinary Shares.

In aggregate, 21,910,900 Shares, representing 70.2 per cent. of the Enlarged Share Capital, are subject to lock-in agreements referred to above. Further details of the lock-in arrangements are set out in Paragraph 9.2 of Part V of this Document.

24. RELATIONSHIP AGREEMENT

In light of the 38.4 per cent aggregate shareholding of the Ali Athar Concert Party in the Enlarged Share Capital immediately following Admission, as set out in Paragraph 9.4 of Part V of this

Document, the Company, WH Ireland, Ali Athar and Nazam Limited, as significant shareholders, have entered into a relationship agreement, which is conditional upon Admission and will be in effect at all times when such significant shareholders and/or their associates together exercise or control voting rights attaching to Ordinary Shares, which constitute, in aggregate, not less than 20 per cent of the number of Ordinary Shares in issue.

Pursuant to the agreement Ali Athar and Nazam Limited, in their capacity as substantial shareholders, have given various undertakings to the Company regarding the relationship between each of them, their associates and the Company.

Further details of these arrangements are set out in Paragraph 9.4 of Part V of this Document.

25. ADMISSION TO TRADING ON AIM

Application has been made for Admission in respect of the Ordinary Shares. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 28 June 2021.

No application is being made for the Ordinary Shares to be admitted to listing on the Official List of the London Stock Exchange or to be dealt in on any other exchange.

26. ELECTRONIC SETTLEMENT

The Existing Ordinary Shares and the Placing Shares are and will be eligible for CREST settlement. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the requirements of CREST. The articles permit the holding and transfer of Ordinary Shares to be evidenced in uncertificated form in accordance with the requirement of CREST. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

The Ordinary Shares will have the ISIN number GB00BMD2H500. The Ordinary Shares will not be dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other such exchange.

27. THE CITY CODE

The Company is incorporated in the UK and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the City Code applies to the Company.

Under Rule 9 of the City Code ("Rule 9"), any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as defined in the City Code) with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which he is interested.

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

Under the City Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

It has been agreed with the Panel that Ali Athar and certain related persons are acting in concert for the purposes of the City Code. The Ordinary Shares held by the Ali Athar Concert Party comprise Ali Athar, and the Ordinary Shares held by Nazam Limited (which is owned by a Trust of which Ambreen Zaman, Ali Athar's wife, is a beneficiary) and Rowanmoor Trustees Limited (Designation: 09/9071) (Ali Athar's pension fund).

Maximum Potential Controlling Position

On Admission the Ali Athar Concert Party is interested in 11,985,416 Ordinary Shares, in aggregate representing approximately 38.4 per cent. of the Enlarged Share Capital. In addition, Ali Athar has 1,200,000 options over Ordinary Shares. If these options are exercised, and assuming no other Ordinary Shares are issued, the maximum controlling position of the Ali Athar Concert Party would be 13,185,416 Ordinary Shares, representing approximately 40.68 per cent. of the Enlarged Issue Capital, as enlarged by such exercise.

On Admission, the Ali Athar Concert Party will be interested in more than 30 per cent. of the voting rights of the Group but less than 50 per cent. of the voting rights; therefore, neither the individual members of the Ali Athar Concert Party nor the Ali Athar Concert party itself will be able to increase their percentage shareholding through or between a Rule 9 threshold without the consent of the Panel.

To the extent that the exercise of Ali Athar's options in future increases the Concert Party's interest in Ordinary Shares through a Rule 9 threshold, it has been agreed with the Panel that any such increase would not trigger an obligation to make a mandatory offer pursuant to Rule 9 on the basis that the consequence of such increases have been fully disclosed in this document.

Further information concerning the Takeover Code and the Concert Party is set in Paragraph 14 of Part V of this Document.

28. TAXATION

Your attention is drawn to the further information regarding taxation set out in Part IV of this Document. These details are, however, intended only as a general guide to the current tax position for UK resident shareholders under UK taxation law and you should seek independent advice if you are in any doubt as to your tax position and/or if you are subject to tax in a jurisdiction other than in the UK.

29. FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts III, IV and V of this document, and the "Risk Factors" set out in Part II. You are advised to read the whole of this document rather than relying on the summary information set out on pages 11 to 28 of this document before making any decision to invest in the Company.

PART II

RISK FACTORS

ANY INVESTMENT IN THE COMPANY AND IN THE ORDINARY SHARES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE FACT THAT THE GROUP IS SUBJECT TO A VARIETY OF RISKS, WHICH IF ANY WERE TO MATERIALISE, COULD HAVE A SIGNIFICANT ADVERSE EFFECT ON THE GROUP'S BUSINESS AND/OR FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS. IN SUCH CASE, THE MARKET PRICE OF THE ORDINARY SHARES COULD DECLINE AND INVESTORS MIGHT LOSE SOME OR ALL OF THEIR INVESTMENT. PRIOR TO INVESTING IN THE ORDINARY SHARES, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE FACTORS AND RISKS ASSOCIATED WITH ANY INVESTMENT IN THE ORDINARY SHARES, THE GROUP'S BUSINESS AND THE INDUSTRY IN WHICH IT OPERATES, TOGETHER WITH ALL OTHER INFORMATION CONTAINED IN THIS DOCUMENT IN ITS ENTIRETY INCLUDING, IN PARTICULAR, THE RISK FACTORS DESCRIBED BELOW.

In addition to the information set out in the rest of this document, the following risk factors in this Part II should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. Additionally, there may be risks not mentioned in this document of which the Board are not aware or believes to be immaterial but which may, in the future, adversely affect the Group's business and the market price of the Ordinary Shares.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities in the UK or another appropriate financial adviser in the jurisdiction in which such investor is located who specialises in advising on the acquisition of shares and other securities.

RISKS RELATING TO THE GROUP'S BUSINESS

1. Revenue and profitability

The Company cannot guarantee that the Group will be able to achieve or sustain revenue growth, renew customer contracts as they come up for renewal and achieve or sustain profitability in the future. The Group will also take on credit risk on new customer projects with no implementation fees which are recovered over the term of the contract. Should the customer go into administration during the contract term or if the Group is unable to achieve or sustain profitability, the business could be severely harmed. The Group's operating results may fluctuate as a result of a number of factors, many of which are beyond its control. These factors include, amongst others, the growth rate of markets into which the Group sells its services, market acceptance of and demand for its services and those of its customers and unanticipated delays including problems in the introduction of its services. If the Group does not realise sufficient revenue levels to sustain profitability, it may require additional working capital and financing in the medium term, which may not be available on attractive terms, or at all.

2. 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.

3. The Company may not expand or operate as envisaged

The Group's success depends on its ability to expand, operate, and manage successfully its operations. Its ability to expand successfully will depend upon a number of factors, including the following: licensing relevant successful technologies; signing with strategic partners, dominant in

their field; the continued development of its business and products, including the successful performance of its products, the development of the supply chain, the hiring, training, and retention of additional personnel, the ability to enhance its operational, financial, and management systems, the availability of adequate financing, competitive factors, general economic and business conditions and the ability to implement methods for revenue generation.

4. Operating results (current results are not an indication of future performance)

The Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Group's results to date as an indication of future performance.

5. The Group faces competition in a rapidly evolving market

Although the Directors believe that significant barriers to entry exist in the markets in which the Group operates, including for example the technical skill and expertise required to develop its solutions, the Group may face an increasing amount of competition. In order to remain competitive, the Group must continually update its products and services. The process of updating products and services could result in increased costs and the Group's investment in such products and services may therefore affect its short term profitability. Additionally, the Group may fail to successfully implement such products and services. This could impact revenues and cause the Group's business to suffer. There is no guarantee that new products and services will perform as intended or that they will be accepted by the Group's customers. Costs spent on developing such products and services may not be recouped. If the Group does not compete effectively, the demand for its products and services may decline. The Group's competitors may respond to new or emerging technologies and changes in the requirements of the Group's customers faster and more effectively than the Group. These competitors may offer their products and services at a discount in order to gain market share and the Group may be forced to lower prices in response, thereby reducing the Group's profits and revenues. This may have a negative impact on sales volumes or profit margins achieved by the Group in the future.

6. Failures in the Group's IT systems and infrastructure supporting its solution could significantly disrupt its operations and cause it to lose customers

In addition to the optimal performance of the Groups software applications, the Group's business relies on the continued and uninterrupted performance of its software and hardware infrastructures. Sustained or repeated system failures of its software and hardware infrastructures, which interrupt its ability to deliver customer services quickly and accurately could significantly reduce the attractiveness of its solution to both existing and new customers, reduce its revenue and affect its reputation. Cyber attacks, such as denial of service attacks, ransomware, or other breaches of network or IT security, natural disasters, malicious human acts, telecommunications failures, power outages, terrorist acts or acts of war may cause equipment failures or disrupt the Group's systems and operations. The Group (or its datacentres) may subject to sustained or repeated attempts to breach the security of its networks and IT infrastructure through cyber attacks, malware, computer viruses and other means of unauthorised access. Any steps the Group takes to increase the reliability and redundancy of its systems may be expensive and may not prevent system failures. A failure to protect the privacy of customer and employee confidential data against breaches of network or IT security could also damage itim's reputation.

7. Intellectual property protection

The Group has no registered patents. However, the Group protects its intellectual property through a variety of methods, including proprietary information and invention agreements and non-disclosure agreements entered into by the Company and its employees and contractors, and non-disclosure agreements with its partners and customers, which are entered into through the Group's terms and conditions of software licence agreements.

Any failure to protect the Group's intellectual property may result in another party copying or otherwise obtaining and using its proprietary technology without 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.

8. Customers

The Group's revenue although diverse has a small number of large customers, the loss of one or more of these larger customers could have a material adverse effect on the Group's profits.

9. If the Group fails to manage any growth effectively, it may be unable to execute its business plan or maintain high levels of customer satisfaction

Notwithstanding the risk factor above, the number of customers from which the Group collects revenue has continued to increase in the last twelve months and it the Directors have a plan for continued and sustained growth in customer numbers. In addition, the number of different countries these customers are located in is also expected to expand. In the course of its continued expansion the Group needs to maintain a high level of service and customer satisfaction which will require significant expenses, capital expenditure and the allocation of management resources. If the Group fails to manage its anticipated growth, brand reputation may suffer, which could in turn impair its ability to attract and retain customers.

10. Interruptions or delays in services provided by third party providers that the Group relies upon could impair the performance of its services and harm its business

The Group platform is conducted using third party datacentres located in Farnborough and Milton Keynes (with some services also dependant on historic servers based in Plymouth). The Group is also reliant on external internet service providers and board band capabilities to deliver, monitor and maintain its services. Any damage to, or failure of, the systems or facilities of its third party providers could adversely impact the Group's ability to deliver its solution to customers. If, for any reason, the Group's arrangement with one or more data centres is terminated, it could incur additional expense in arranging for new facilities and support. The occurrence of a natural disaster, an act of terrorism, vandalism or sabotage, a decision to close any data centre or the facilities of any other third party provider without adequate notice could result in lengthy interruptions in the availability of the Group's solution. While the Group has disaster recovery arrangements in place, if any such event were to occur, the Group's business, results of operations and financial condition could be adversely affected. In addition, a development centre in Pakistan provides support and software development services to the Group without any formal agreement providing for the continuing supply of such services. The Directors are not aware of any reason why these services should not continue to be provided and are confident that, if they were to cease, the same work could be carried out by the Group, albeit at a marginally greater cost. Certain other third parties provide services to the Group without a formal agreement in place. The Company is reviewing such arrangements with a view to entering into formal agreements were appropriate.

11. Key partner dependency

The Group has partnered with a number of software and service providers to enhance its offering. There is a risk that these partnerships may end, which may result in the loss of customers and an adverse effect on the Group's performance or business prospects.

12. The Group is an organisation which operates in different jurisdictions, as it expands further it may increasingly face complex tax issues and legal issues

The Group has operations in the United Kingdom and Portugal; and has international customers. It is also considering expanding into new jurisdictions, accordingly, in the future the Group may be subject to taxation in jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes it could pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax

rates, new tax laws or revised interpretations of existing tax laws and precedents. In addition, as internet commerce and globalisation continue to evolve, increasing regulation by governments could become more likely. The Group's business could be negatively impacted by the application of existing laws and regulations or the enactment of new laws applicable to consumer commerce. The cost to comply with such laws or regulations could be significant, and the Group may be unable to pass along those costs to its customers in the form of increased fees, which may negatively affect its business. Finally, the authorities in these jurisdictions could review its tax returns and impose additional taxes, interest and penalties, and the authorities could claim that various withholding requirements apply to the Company or its subsidiaries.

Each member of the Group must comply with various legal requirements in the jurisdictions in which it operates. If any of the laws and regulations currently in effect should change or any new laws or regulations are enacted, the legal requirements to which the members of the Group may be subject could differ materially from current requirements. Any such change or modification may materially and adversely affect the Group. Profimetrics is incorporated in Portugal and the legal system to which it is subject differs in many respects from that in the UK. In particular, under the parent company liability framework applicable under Portuguese law, several exceptions to the Company's limited liability as the 100 per cent. shareholder of Profimetrics may apply, including: if Profimetrics fails to comply with an obligation towards a third party, the Company may be jointly and severally liable to Profimetric's creditors; under certain circumstances, Profimetrics may claim compensation from the Company (as its sole shareholder) for its annual losses, if such losses are not offset by reserves created during the period that Profimetric's registered capital is wholly owned by the Company; and, under certain circumstances, in the case of an insolvency event for Profimetrics, the Company may be unlimitedly liable for the obligations assumed by Profimetrics during the period it is subject to the control of the Company.

13. Acquisition risk

It is likely that the Group will seek to make further acquisitions as part of its strategy. A successful acquisition will depend upon the expertise of the Directors and their ability to identify and acquire or invest in suitable companies or businesses in the future. There can be no certainty that the Group will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Group.

14. Appropriate employees and retention of key personnel

The Group's success depends on its retention of key personnel and its ability to recruit, retain and develop suitable personnel for its business. The Directors acknowledge that any future shortages of qualified personnel or the Group's inability to recruit and retain such personnel could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group's future development and prospects are partially dependent on the continuing services and performance of the Executive Directors, and its ability to continue to attract and retain highly skilled and qualified managers. The Directors cannot give assurances that they or members of the management team will remain with the Group, although the Directors believe the Group's culture, the continued involvement of the Group's founder, and its remuneration packages are attractive. If members of the Group's key senior management teams depart, the Group may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted or damaged. The loss of the services of any of the Executive Directors or key employees could damage the Group's business. The Group is aware that in certain instances its arrangements for its employees are not fully legally compliant. The Directors are keeping these arrangements under review and will take appropriate remedial action in consultation with their legal advisers.

15. Coronavirus

A high degree of uncertainty exists around the impact of the COVID-19 pandemic on the economy and the Group. Given a significant number of Government schemes designed to support the economy through the pandemic are still in place, the full economic impact of COVID-19 is unknown. It has been suggested that the economic fall-out from COVID-19 could trigger a deep, long lasting recession, which could significantly impact the Group. Finally, there may also be changes as a

consequence of COVID-19 that impact the Group and its trading in the future, but which are currently unknown to the Directors and cannot be reasonably predicted. All these factors have the potential to significantly affect the viability of the Group's business model and its ability to be able to trade.

16. General Economic Conditions

Notwithstanding COVID-19, if economic conditions were to deteriorate, or do not materially improve, the Group's existing and potential customers may elect to change their strategy when it comes to consumer commerce. Whilst the Directors think this is unlikely, nevertheless historically, economic downturns do result in cost cutting strategies amongst traditional retailers who represent the Group's core customers. The Group's revenue growth and continued profitability is linked to its customers digital expenditure. The Directors believes that its technology based business model is resilient even in periods of economic downturn. However, to the extent that weak economic conditions cause the Group's existing and potential customers to freeze or reduce their digital commerce expenditure, demand for the Group's services may be negatively affected, which in turn could have a material adverse effect on the Group's business.

17. Infringement or misappropriation of the Group's solutions

A key part of the Group's value is in the development of its solutions and its intellectual property. Any damage to the solutions or inability to protect the Group's intellectual property could have a material adverse effect on the business of the Group.

18. Third party software

The Group incorporates and includes third-party software into and with certain of its products and solutions and expects to continue to do so. The operation of the Group's products could be impaired if there are defects in that third-party software. It may be difficult for itim to correct any defects in third-party software because the development and maintenance of the software is not within its control. Such defects could adversely affect the business. In addition, there can be no assurance that these third parties will continue to make their software available to the Group on acceptable terms, or at all; not make their products available to the Group's competitors on more favourable terms; invest the appropriate levels of resources in their products and services to maintain and enhance the capabilities of their software; or remain in business. Any impairment in the Group's relationship with these third parties or its ability to license or otherwise use their software could have a material adverse effect on its business, results of operations, cash flow, and financial condition.

19. Products critical to our customers

Itim's products are often critical to the operations of its customers' businesses and provide benefits that may be difficult to quantify. If its products fail to function as required—which, as described in more detail in other risk factors, could be due to software bugs, cloud hosting service failures, security breaches, faulty implementations or other reasons—the Group may be subject to claims for substantial damages. Courts may not enforce provisions in the Group's contracts that would limit the Group's liability or otherwise protect the Group from liability for damages. Defending a lawsuit, regardless of its merit, could be costly and divert management's time and attention. Although the Group maintains general liability insurance and error and omissions coverage, these coverages may not continue to be available on reasonable terms or in sufficient amounts to cover claims against the Group. In addition, the Group's insurer may disclaim coverage as to any future claim. If claims exceeding the available insurance coverage are successfully asserted against the Group, or the Group's insurer imposes premium increases or large deductibles or co-insurance requirements on the Group, then the Group's business, results of operations, cash flow, and financial condition could be adversely affected.

20. Software errors

Software products as complex as those the Group offers might contain undetected errors or failures when the Group first introduces them or when the Group releases new versions. Despite testing, the Group cannot ensure errors will not be found in new products or product enhancements after commercial release. Any errors could cause substantial harm to the Group's reputation, result in additional unplanned expenses to remedy any defects, delay the introduction of new products, result in the loss of existing or potential customers, or cause a loss in revenue. Further, such errors could subject the Group to customer claims for significant damages, and the Group cannot guarantee courts would enforce the provisions in its customer agreements limiting the Group's damage liability.

In turn, this could materially affect the Group's business, results of operations, cash flow, and financial condition.

21. Open source software

Some of the Group's products use or incorporate software that is subject to one or more open source licenses. Open source software is typically freely accessible, usable and modifiable. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on unfavourable terms or at no cost. This can subject previously proprietary software to open source license terms. While it monitors the use of all open source software in its products, processes, and technology and try to ensure that no open source software is used in such a way as to require the Group to disclose the source code to the related product or solution, such use could inadvertently occur. Additionally, if a third-party software provider has incorporated open source software into software the Group licenses from them for use in the Group's products and solutions, it could, under certain circumstances, be required to disclose the source code to its products and solutions. This could harm the Group's intellectual property position and have a material adverse effect on the Group's business, results of operations, cash flow, and financial condition.

22. Dependence on Microsoft Silverlight

The Company's products have historically relied on Microsoft Silverlight, a development framework, which is currently only supported on Internet Explorer 10 and Internet Explorer 11. Microsoft have confirmed that support for Silverlight will end on 12 October 2021 at which time customer software and software upgrades (including security updates) will cease and any products still utilising Silverlight will be vulnerable. The Company is in the process of transitioning from Silverlight to Microsoft Edge before the October deadline with a view to transition all applications to HTML5 before the end of the year. However in the event that this is not achieved, applications still operating on the Silverlight framework will be vulnerable to flaws, bugs and security attacks, all of which could materially affect the operations of the Company and of the operations of the Company.

23. Transition to a quoted public company

The Group has created its omni-channel retailing platform as a private business and its existing shareholders, for the most part, have been closely involved in the business. The Company's transition to a quoted public company involves changes in its ownership and to the Board structure. The Directors expect certain existing shareholders to continue to be closely involved in the business, particularly Ali Athar. There can, however, be no assurance that, in the more public environment of a quoted public company, the Company will be able to manage its operations and strategic direction as successfully as it has as a private business, which may adversely affect the operations and business of the Company and the rest of the Group.

24. Requirement for further funds

The Company may need to raise further funds in the future to complete a proposed acquisition. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at prices that are greater than the Placing Price.

RISKS RELATING TO THE MARKETS IN WHICH THE GROUP OPERATES

25. Privacy or data protection failures and fraudulent activity

The data protection requirements under the laws and regulations in jurisdictions applicable to the Group vary from one jurisdiction to another, and may conflict with other rules or the Group's practices. Complying with all such regulatory requirements could require the Group to incur substantial costs or change its business practices in a manner that could limit the Group's ability to achieve performance based results for its customers, thereby reducing its revenues, or compromise its ability to effectively pursue its growth strategy. In some jurisdictions, the data that the Group collects may be considered personally identifiable information and subject to data protection laws and regulations. If any unauthorised collection, storage, disclosure or misuse were to occur, the Group may be required to notify persons whose information was collected, stored, disclosed, accessed or misused, which would impose a significant burden on the business and potentially lead to material cost. Any failure,

or perceived failure, by the Group to comply with data protection laws and regulations could result in monetary penalties, proceedings or actions against it by governmental entities or others and cause reputational damage that may make the Group a less attractive partner, so damaging the business. The Group may also be contractually liable to indemnify and hold harmless its customers from the disclosure or misuse of confidential information, which could damage the Group's reputation among its current and potential customers, require significant expenditures of capital and other resources and cause it to lose business and revenues.

26. Large and established internet and technology companies may be able to significantly impair the Group's ability to operate

Large and established internet and technology companies such as Amazon.com, Inc., Apple, Facebook, Google and Microsoft may have the power to significantly change the very nature of the internet and these changes could materially disadvantage the Group. For example, these companies have substantial resources and control a significant share of widely adopted industry platforms such as web browsers, mobile operating systems and advertising exchanges and networks. Changes to their web browsers, mobile operating systems, platforms, exchanges, networks or other products or services could be significantly harmful to the Group's business. Such companies could also seek to replicate all or parts of the Group's business.

27. Dependence on maintenance and growth of the internet

The Group's business is dependent on the internet and on the continued growth and maintenance of the internet's infrastructure. There can be no assurance that the internet infrastructure will continue to support the demands placed on it by continued growth in the number of users and amount of traffic on the internet. To the extent that the internet's infrastructure is unable to support the demands placed on it, the business of the Group's direct and indirect customers, and consequently, the business of the Group, may be impacted. For example, future interruptions could harm relationships that the Group's direct and indirect customers have with their customers. The Group may also suffer from the adverse effect of the delay or cancellation of government programmes designed to expand broadband access. The reduction in the growth of, or a decline in, broadband and internet access poses a risk to the Group's direct and indirect customers and, accordingly, to the Group.

28. Technological change in the omni-channel sector/online retail industry

The Group expects that new services and technologies applicable to the omni-channel sector/on-line retail industry will continue to emerge and develop, and it is possible that these new services and technologies may be superior to, or render obsolete or unmarketable, the technologies that the Group currently uses or the services it currently offers. The Group's future success will depend, in part, on its ability to develop and adapt to these technological changes and evolving industry trends. If the Group is not able to keep pace with the technological developments in its industry, the use and competitiveness of the Group's offering could decline, which would reduce the Group's revenues and income.

29. Increasing Litigation Environment

The software market place is becoming increasingly litigious especially in the US where the Directors understand a large number of patent have been granted for business processes; such business process patent are not possible to obtain in the UK. The Directors also understand the differences in these patent regulations have been misused by patent attorneys and if itim was to be subject to such claims as it grows its presence in the US it could be liable for significant payments outside of its control.

RISKS RELATING TO THE COMPANY'S SECURITIES

30. General

An investment in the Ordinary Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers

regarding investment in the Ordinary Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

31. No prior market for the Ordinary Shares

Before Admission, there has been no prior market for the Ordinary Shares. Although application has been made for the Ordinary Shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission.

32. Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the progress the Company may make in terms of developing and launching its services or its actual financial, trading or operational performance. These factors could include the performance of the Company, purchases or sales of the Ordinary Shares (or the perception that the same may occur, as, for example in the period leading up to the expiration of the restrictions contained in certain lock-in and orderly marketing arrangements), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity. The share price for publicly traded companies, relatively small public companies, such as the Company, can be highly volatile. Admission to AIM should not be taken as implying that a liquid market for the Ordinary Shares will either exist, develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

33. Substantial sales of Ordinary Shares could cause the price of Ordinary Shares to decline

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraph 9.2 of Part V of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

34. There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Company's Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

35. Higher risk for shares traded on AIM rather than the Official List

The Ordinary Shares will be traded on AIM rather than admitted to the Official List. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than the rules for companies admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, therefore making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Prospective investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and they could lose their entire investment in the Company.

36. Issuance of additional Ordinary Shares

The Company may need to raise additional funds in the future to finance amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity linked securities of the Company other than on a pro-rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

37. Dividends

The Company's ability to pay dividends to shareholders out of distributable profits is dependent on the Company's ability to receive funds for such purposes, directly or indirectly, from subsidiaries in a manner which creates distributable reserves for the Company. Furthermore, the Company's ability to pay dividends to shareholders is a function of the performance of the Group and other factors that the Directors deem significant from time to time, such as capital requirements and general economic conditions. The Company's dividend policy is described in paragraph 21 of Part I of this document.

38. Substantial Shareholder

On Admission, Ali Athar will hold (directly or indirectly), in aggregate, approximately 38.4 per cent. of the Enlarged Issued Share Capital. Notwithstanding the terms of the Relationship Agreement, the Articles and applicable laws and regulations, he will be able to exercise significant influence over the Company and the Group's operations, business strategy and those corporate actions which require the approval of Shareholders.

39. Market Perception

Market perception of the Company may change, potentially affecting the value of investors' holdings of Ordinary Shares and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise. Negative perceptions of the Company's competitors may result in negative market perception of the retail industry as a whole, which would have an adverse effect on the price of the Ordinary Shares as well as the Company's ability to raise further funds either publicly or privately.

40. Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than those of historical fact, contained in this document are forward-looking statements. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

PART III

FINANCIAL INFORMATION ON THE COMPANY

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF ITIM GROUP

The Directors
itim Group plc
2nd Floor
Atlas House
173 Victoria Street
London
SW1E 5NH

21 June 2021

Dear Sirs

ITIM GROUP LIMITED ("ITIM") AND ITS SUBSIDIARY UNDERTAKING (THE "ITIM GROUP")

We report on the historical financial information of the itim Group for the twelve months ended 31 December 2018; 31 December 2019; and 31 December 2020 (the "Historical Financial Information"); set out in Section B of Part III of the Admission Document dated 21 June 2021 (the "Admission Document") of itim Group plc (the "Company"). This Historical Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the Historical Financial Information.

This report is required by Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

RESPONSIBILITIES

The directors of the Company (the "Directors") are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Admission Document.

BASIS OF OPINION

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom ("the FRC").

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the itim Group as at the dates stated and of its results, 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 for Companies we are responsible for this report as part of the Admission Document and declare, to the best of our knowledge, that the information contained in this report is 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 Item 1.2 of Annex 1 and Item 1.2 of Annex 11 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

RPG CROUCH CHAPMAN LLP

Chartered Accountants

RPG Crouch Chapman LLP is a limited liability partnership registered in England and Wales (with registered number OC375705)

PART III

SECTION B: HISTORICAL FINANCIAL INFORMATION OF ITIM GROUP

Consolidated Statement of Comprehensive Income

		Year ended 31 December 2018 £000	Year Ended 31 December 2019 £000	Year ended 31 December 2020 £000
Continuing operations				
Revenue	4	10,617	11,682	11,820
Cost of sales		(6,229)	(6,936)	(7,114)
Gross profit		4,388	4,746	4,706
Other income		–	–	202
Administrative expenses		(3,675)	(3,579)	(3,374)
Profit before interest, tax, depreciation and amortisation		713	1,167	1,534
Amortisation of intangible assets	11	(285)	(311)	(515)
Share option charge		–	–	(91)
Depreciation	12	(37)	(50)	(45)
Depreciation of right of use asset	17	–	(386)	(231)
Loss on disposal of right of use assets		–	–	(9)
Operating profit		391	420	643
Finance costs	8	(123)	(119)	(114)
Other interest – right of use assets	17	–	(90)	(67)
Finance income		1	–	–
Profit before taxation		269	211	462
Income tax	9	65	285	494
Profit for the year		334	496	956
Other comprehensive income				
Exchange differences on retranslation of foreign operations		2	(41)	63
Total comprehensive income for the year attributable to the equity shareholders of the parent company		336	455	1,019
Earnings per share				
Basic – pence	10	0.32	0.39	0.75
Diluted – pence	10	0.23	0.35	0.66

Consolidated Statement of Financial Position

		As at 31 December 2018 £000	As at 31 December 2019 £000	As at 31 December 2020 £000
Assets				
Non-current assets				
Intangible assets	11	4,726	5,319	8,206
Property, plant and equipment	12	62	80	53
Right of use asset	17	–	1,560	897
Deferred tax	9	–	182	298
		<u>4,788</u>	<u>7,141</u>	<u>9,454</u>
Current assets				
Trade and other receivables	13	2,237	2,930	3,492
Cash and cash equivalents		988	1,390	2,127
		<u>3,225</u>	<u>4,320</u>	<u>5,619</u>
Total current assets		3,225	4,320	5,619
Total assets		8,013	11,461	15,073
Liabilities				
Current liabilities				
Trade and other payables	14	(937)	(1,578)	(2,057)
Right of Use liability	17	–	(366)	(248)
		<u>(937)</u>	<u>(1,944)</u>	<u>(2,305)</u>
Total current liabilities		(937)	(1,944)	(2,305)
Non-current liabilities				
Loans and borrowings	15	(1,930)	(1,627)	(4,011)
Right of Use liability	17	–	(1,371)	(729)
Deferred tax	9	(79)	(182)	(501)
		<u>(2,009)</u>	<u>(3,180)</u>	<u>(5,241)</u>
Total non-current liabilities		(2,009)	(3,180)	(5,241)
Total liabilities excluding accruals and deferred income		(2,946)	(5,124)	(7,546)
Total net assets before accruals and deferred income		5,067	6,337	7,527
Accruals and deferred income	16	2,079	2,433	2,513
Capital and reserves attributable to shareholders of the parent company				
Share capital	19	2,134	2,379	2,379
Share premium account	22	10,323	10,469	10,469
Share options reserve	22	213	213	304
Foreign exchange reserve	22	123	82	145
Retained losses	22	(9,805)	(9,239)	(8,283)
		<u>2,988</u>	<u>3,904</u>	<u>5,014</u>
Shareholders' funds		2,988	3,904	5,014
Shareholders funds plus accruals and deferred income		5,067	6,337	7,527

Consolidated Cash Flow

	Year ended 31 December 2018 £000	Year Ended 31 December 2019 £000	Year ended 31 December 2020 £000
Cash flows from operating activities			
Profit after taxation	334	496	956
Adjustments for:			
Taxation credit	(65)	(285)	(494)
Finance costs	123	119	114
Share option charge	–	–	91
Other interest on leases	–	90	67
Finance income	(1)	–	–
Exchange gain/ (loss)	2	37	49
Amortisation and depreciation	322	747	791
Loss on disposal of right of use asset	–	–	9
	<hr/>	<hr/>	<hr/>
Cash flows from operations before working capital changes	715	1,204	1,583
Changes in trade and other receivables	612	(431)	275
Changes in trade and other payables	(214)	995	60
	<hr/>	<hr/>	<hr/>
Cash generated from operations	1,113	1,768	1,918
Finance costs	(123)	(119)	(69)
Finance income	1	–	–
Taxation received	(21)	(55)	285
	<hr/>	<hr/>	<hr/>
Net cash flow from operating activities	970	1,594	2,134
Cash flow from investing activities			
Additions of intangible assets	(610)	(918)	(1,227)
Purchase of property, plant and equipment	(39)	(68)	(17)
Cash acquired with subsidiary	–	–	277
Payment to acquire subsidiary	–	–	(223)
Proceeds from share options exercised	–	391	–
	<hr/>	<hr/>	<hr/>
Net cash flow from investing activities	(649)	(595)	(1,190)
Net cash flow before financing activities	321	999	944
	<hr/>	<hr/>	<hr/>
Cash flow from financing activities			
Loan repayments	(377)	(303)	–
Payment of lease liabilities	–	(294)	(457)
Bank loans received	–	–	250
	<hr/>	<hr/>	<hr/>
Net cash flow from financing activities	(377)	(597)	(207)
Net increase in cash and cash equivalents	(56)	402	737
	<hr/>	<hr/>	<hr/>
Opening cash and cash equivalents	1,044	988	1,390
	<hr/>	<hr/>	<hr/>
Closing cash and cash equivalents	988	1,390	2,127
	<hr/>	<hr/>	<hr/>

Consolidated Statement of Changes in Equity

	Share capital £000	Share Premium £000	Share option reserve	Foreign exchange reserve	Retained Earnings £000	Total Equity £000
At 1 January 2018	2,134	10,323	213	121	(10,139)	2,652
Profit for the year	–	–	–	–	334	334
Exchange differences on retranslation of foreign operations	–	–	–	2	–	2
Total comprehensive income	–	–	–	2	334	336
At 31 December 2018	2,134	10,323	213	123	(9,805)	2,988
At 1 January 2019 as reported	2,134	10,323	213	123	(9,805)	2,988
IFRS 16 transition	–	–	–	–	70	70
At 1 January 2019 as restated	2,134	10,323	213	123	(9,735)	3,058
Profit for the year	–	–	–	–	496	496
Exchange differences on retranslation of foreign operations	–	–	–	(41)	–	(41)
Total comprehensive income	–	–	–	(41)	496	455
Issue of share capital	245	146	–	–	–	391
At 31 December 2019	2,379	10,469	213	82	(9,239)	3,904
At 1 January 2020	2,379	10,469	213	82	(9,239)	3,904
Profit for the year	–	–	–	–	956	956
Exchange differences on retranslation of foreign operations	–	–	–	63	–	63
Total comprehensive income	–	–	–	63	956	1,019
Share based payments charge	–	–	91	–	–	91
At 31 December 2020	2,379	10,469	304	145	(8,283)	5,014

Notes to the Financial Information

1. GENERAL INFORMATION

Itim Group Limited is a private limited Company (“Company”) incorporated in the United Kingdom under the Companies Act 2006 (registration number 03486926). The Company is domiciled in the United Kingdom and its registered address is 2nd Floor, Atlas House, 173 Victoria Street, London SW1E 5NH. The Company re-registered as a PLC on 11 June 2021.

The Group’s principal activities have been the provision of technology solutions to help clients drive improvements in efficiency and effectiveness.

2. ACCOUNTING POLICIES

Basis of preparation

The Historic Financial Information (“HFI”) presents the financial results and financial position of itim Group for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 and is prepared for the purposes of the itim Group PLC ‘s admission on to the AIM market of the London Stock Exchange.

The HFI has been prepared on a going concern basis and has been prepared under International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations as adopted by the European Union.

The HFI is presented in GBP, which is also the Company’s functional currency and amounts are rounded to the nearest thousand, unless otherwise stated.

The principal accounting policies that have been applied to the HFI are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Basis of consolidation

The HFI includes the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method as detailed below.

Subsidiaries

Subsidiaries are all entities over which the Group has the ability to exercise control and are accounted for as subsidiaries. The results of subsidiaries are included in the Group income statement from the date of acquisition until the date that such control ceases. Intercompany transactions and balances between Group companies are eliminated upon consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Revenue recognition

Revenue was recognised to the extent that it was probable that the economic benefits would flow to the Group and the revenue could be reliably measured.

Revenue represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year by the group. Revenue is derived from the Group's principal activity and excludes VAT.

The Group derives revenue from four principal sources as noted below:

Licenses

The performance obligation for the provision of licences is considered to be satisfied when the agreement is signed by the customer and they are given access to the related software intellectual property ("IP") without any requirement to provide updates. It is recognised in full at the transaction price as agreed by a fixed price contract with the customer during the initial term, where there is no obligation for the Company to provide updates to the IP during the licence period. Where the license provides updates to the IP over the life of the license and in line with the initial term of the contract, then the revenue is recognised over time accordingly.

Maintenance

Revenue from maintenance and similar services is recognised in profit and loss in proportion to the stage of completion of the performance obligation at the reporting date. The stage of performance obligation fulfilment is determined based on completion of work performed to date as a percentage of total services to be performed.

Subscription

The Group's hosted software-as-a-service subscription application, which allows customers to use hosted software over the contract period without taking possession of the software. Revenue is

recognised over the contract period, commencing on the date an executed contract exists and the customer has the right-to-use and access to the platform.

Services (non-recurring services)

Non-recurring services (“NRS”) relate to design and production of bespoke solutions for each customer. The delivery of the design and the prototype including the (goods and) services are considered to be significantly integrated and any included licence will be required for the goods to function. The goods and services supplied are therefore considered to be the provision of one performance obligation.

NRS services enhance an asset that the customer controls and the Group creates specific fit for purpose assets which cannot be used elsewhere. The transaction price is the amount determined by fixed price contracts where the Company has a right for consideration for work performed to date. Under the terms of the contracts, the Company has a right to invoice at the achievement of various milestones in the contract.

NRS services are recognised over time and management consider the time spent as a proportion of total time expected is the most appropriate basis for recognition of this revenue stream as staff time is the main input into the delivery of the service. Any differences to the revenue measured by the above method and the amounts invoiced are included in the balance sheet. Further information on the contract assets or contract liabilities are included in note 4.

Intangible assets – Goodwill

Goodwill is initially recognised in accordance with the business combination policy above. Thereafter, goodwill is not amortised but tested annually for impairment and whenever impairment indicators require.

Intangible assets – research and development expenditure

Research expenditure is written off as incurred. Internally generated development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which the group is expected to benefit. This period is seven years. Provisions are made for any impairment.

Intangible assets – other

Other intangible assets recognised in this HFI consist of Customer contracts and relationships and Intellectual Property Rights acquired on the acquisition of EDI Plus Limited as detailed in note 18.

Amortisation is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Customer contracts and relationships	straight line over 10 years
Intellectual Property Rights	straight line over 10 years

The amortisation of intangible fixed assets is shown as a separate line in the Consolidated Statement of Comprehensive Income.

The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment non-current assets

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Foreign currencies

Transactions denominated in a foreign currency are translated into functional currency at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the functional currency at the rate of exchange ruling at the reporting date. Profit and loss accounts of such undertakings are consolidated at the average rate of exchange during the year. Exchange differences arising are included in a separate component of equity.

Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation of plant and equipment is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment	straight line over 3 years
Office equipment	straight line over 3 years
Fixtures and fittings	straight line over 3 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis. An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period that the asset is derecognised. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Trade and other receivables

Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method if applicable, less impairment losses. Provisions against trade and other receivables are made when there is objective evidence that the Company will not be able to collect all amounts due to them in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

Trade and other payables

Trade and other payables are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

Loans and borrowings

Loans and borrowings are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

Leases – as a lessee

The Group transitioned to IFRS 16 from the 1 January 2019 utilising the modified retrospective approach. As a result, the policies for the periods are detailed below.

Leases – as a lessee applied to 31 December 2019 and 31 December 2020

Leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets, considered to be assets amounting to £5,000 or less; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received and increased for:

- Lease payments made at or before commencement of the lease;
- The effective interest charge of any deposits repayable at the end of the lease term;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

The discount rate used to calculate the lease liability is the rate in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. As no such interest rates were available in 2019 management considered the rate of 4.75 per cent appropriate and have adopted the same interest rate in 2020.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments made over the revised term, which are discounted at the same rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Lease under IAS17 for the year ended 31 December 2018

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled based on the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Finance costs

Finance costs comprise interest payable on loans from directors and third parties and are recognised on an accruals basis.

Share-based payments

The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by use of the Black Scholes Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Pension contributions

The Company operates a defined contribution scheme for its employees. Contributions are charged to the Statement of Comprehensive Income in the year they are payable. The assets of the scheme are held separately from those of the group.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is

intended to compensate, are expensed. The other income in the year relates entirely to government support through the furlough scheme.

Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Judgements and estimates

The Group makes judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision effects both current and future periods.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the HFI are discussed below.

Useful economic lives of intangible assets

Intangible assets are amortised over their useful lives. Useful lives are based on management's estimates, which are periodically reviewed for continued appropriateness. Changes to estimates can result in variations in the carrying values and amounts charged to the statement of comprehensive income in specific periods.

3. SEGMENTAL REPORTING

The chief operating decision maker ("CODM") for the purpose of IFRS 8 is the Board. Segments are determined by reference to the internal reports reviewed by the Board. The group's operations relate to the provision of technology solutions to help clients drive improvements in efficiency and effectiveness with support being provided as require from the UK and as such it is considered that there is only one operating segment.

The Group measures the performance of its operating segments through a measure of segment profit or loss which is referred to as EBITDA. This measure is reported to the CODM for the purposes of resource allocation and assessment of performance. The measure is the same as reported in the historic financial information.

Information about geographic areas

	Year ended 31 December 2018		
	UK £000	Portugal £000	Total £000
Revenue	5,857	4,760	10,617
Non-current assets	2,747	2,041	4,788
	Year ended 31 December 2019		
	UK £000	Portugal £000	Total £000
Revenue	6,012	5,670	11,682
Non-current assets	4,203	2,756	6,959
	Year ended 31 December 2020		
	UK £000	Portugal £000	Total £000
Revenue	7,013	4,807	11,820
Non-current assets	6,041	3,115	9,156

Information about major customers

Revenues from transactions with a single customer exceeding 10 per cent. of total revenue were as follows:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Major customer 1	–	1,455	–
Major customer 2	–	–	1,780

4. REVENUE

The analysis of the Group's revenue by geographic is set out below.

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
United Kingdom	5,047	5,449	6,506
Europe	278	248	520
Rest of World	5,292	5,985	4,794
	10,617	11,682	11,820

A breakdown of revenue by the four main revenue streams detailed in accounting policies is shown below:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Licenses	926	166	133
Maintenance	4,378	4,500	4,002
Subscription	2,351	3,405	4,564
Services and other income	2,962	3,611	3,121
Total	10,617	11,682	11,820

Licenses are either recognised at a point time or over the period of the contract in line with the accounting policy (note 2). The maintenance revenue stream is recognised at a point in time and in accordance with the accounting policies detailed earlier. Subscription and services revenue is recognised over time as also detailed in the accounting policies.

The following table provides information on contract assets and contract liabilities from contracts with customers:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Contract assets	57	404	99
Contract liabilities	1,570	1,906	1,809

Contract assets ("accrued income") are recognised where there are excess of revenues earned over billings. Contracts are classified assets when only the act of invoice is pending, there is an unconditional right to receive cash and only the passage of time is required as per contractual terms.

Contract liabilities ("deferred income") are recognised when there are billings in excess of revenues. Contracts are classified as liabilities when there is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer (or the payment is due) but the transfer has not yet completed. These arise based on the billing cycle of the Group's revenues and all are expected to be reversed in under one year.

5. PROFIT ON OPERATING ACTIVITIES BEFORE TAXATION

Profit on operating activities before taxation is stated after charging /(crediting):

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Share based payments	–	–	91
Depreciation of property, plant and equipment	37	50	45
Amortisation of intangible assets	285	311	515
Operating lease costs – property	22	–	–
Operating lease costs – other assets	226	–	–
	<u> </u>	<u> </u>	<u> </u>

6. WAGES AND SALARIES

The average monthly number of persons, including Directors, employed by the Group was:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Selling and administration	28	27	25
Technical	86	102	132
	<u> 114</u>	<u> 129</u>	<u> 157</u>

Their aggregate emoluments were:

Wages and salaries	5,063	5,524	6,200
Social security costs	671	880	923
Other pension costs	175	169	202
Other benefits	100	319	286
	<u> 6,009</u>	<u> 6,892</u>	<u> 7,611</u>

7. DIRECTORS' REMUNERATION

Key management is made up of the directors and their remuneration is outlined below:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Directors			
Aggregate emoluments	761	845	878
Company pension contributions	37	41	49
Total Directors' emoluments	<u> 798</u>	<u> 886</u>	<u> 927</u>
Highest paid director			
Aggregate emoluments	199	222	222
Company pension contributions	10	11	11
Total Directors' emoluments	<u> 209</u>	<u> 233</u>	<u> 233</u>

8. FINANCE COSTS

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Other interest and similar charges	123	119	114
	<u> 123</u>	<u> 119</u>	<u> 114</u>

9. TAXATION

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Current tax income			
Research and development tax credit	(250)	(300)	(443)
Portugal corporate tax	106	172	56
Adjustment in respect of prior years	–	(78)	(63)
Total current tax income	<u>(144)</u>	<u>(206)</u>	<u>(450)</u>
Deferred tax (income)/expense			
Current year	39	(79)	(44)
Adjustment in respect of prior years	40	–	–
	<u>79</u>	<u>(79)</u>	<u>(44)</u>
Total current tax (income)/expense	<u>(65)</u>	<u>(285)</u>	<u>(494)</u>

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2020
Standard rate of corporation tax in the UK	<u>19%</u>	<u>19%</u>	<u>19%</u>
Profit before tax	269	211	462
Profit before tax multiplied by the standard rate of corporation tax in the UK	<u>51</u>	<u>40</u>	<u>88</u>
Effects of:			
Expenses not deductible for tax purposes	16	84	17
Capital allowances in excess of depreciation	(3)	(1)	2
Tax losses utilised as part of the research and development tax credit	(250)	(301)	(443)
Unrelieved tax losses and other deductions arising in the year	97	112	–
Adjustments to tax in prior periods	40	(78)	(63)
Recognition of deferred tax asset in respect of losses	–	(183)	(116)
Difference in overseas tax rates and temporary overseas GAAP differences	(55)	(65)	(63)
Other deferred tax timing differences	39	107	84
Total tax credit for the year	<u>(65)</u>	<u>(285)</u>	<u>(494)</u>

Deferred tax balances consist of the following timing differences

Deferred tax asset			
Accelerated capital allowances UK	(234)	(254)	(326)
Tax losses available for carry forward – UK	237	433	621
Other timing differences – UK	(3)	3	3
Deferred tax asset	<u>–</u>	<u>182</u>	<u>298</u>
Deferred tax liability			
Accelerated capital allowances on Development costs – Portugal	(79)	(182)	(266)
Arising on business combinations – UK	–	–	(235)
Deferred tax liability	<u>(79)</u>	<u>(182)</u>	<u>(501)</u>

The group has not recognised all deferred tax assets in respect of tax losses due to timing uncertainty regarding the recoverability against future profits. If all tax losses were recognised the deferred tax asset would increase as below in each year.

	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2020
Deferred tax asset			
Accelerated capital allowances UK	(234)	(254)	(325)
Tax losses available for carry forward- UK	1,627	2,165	1,939
Other timing differences- UK	(3)	3	3
Deferred tax asset	1,390	1,914	1,617
Increase in deferred tax asset if all losses recognised	1,390	1,732	1,319

The movement in deferred tax assets during the period are:

	Accelerated capital allowances on PPE – UK	Accelerated capital allowances on Development costs – UK	Tax losses available for carry forward – UK	Timing differences on acquired intangible assets – UK	Total
At 1 January 2018	1	(246)	245	–	–
Charged to profit and loss account	(2)	13	(8)	(3)	–
At 31 December 2018	(1)	(233)	237	(3)	–
Charged to profit and loss account	–	(20)	196	6	182
At 31 December 2019	(1)	(253)	433	3	182
Charged to profit and loss account	2	(73)	187	0	116
At 31 December 2020	1	(326)	620	3	298

The movement in deferred tax liabilities during the period are:

	Accelerated capital allowances on Development costs – Portugal	Timing differences on acquired intangible assets – UK	Total
Deferred tax liabilities			
At 1 January 2018	–	–	–
Charged to profit and loss account	(79)	–	(79)
At 31 December 2018	(79)	–	(79)
Charged to profit and loss account	(103)	–	(103)
At 31 December 2019	(182)	–	(182)
Arising on business combination	–	(247)	(247)
Charged to profit and loss account	(84)	12	(72)
At 31 December 2020	(266)	(235)	(501)

10. EARNINGS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. For the avoidance of doubt the deferred shares have been excluded as they have no rights to profits or capital. The Company's share options have a dilutive effect over the three year period.

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Profit for the year/ period attributable to owners of the parent on continuing operations – £000	334	496	956
Weighted average number of shares – 000	10,321	10,515	12,767
Potentially dilutive share options – 000	4,061	3,859	2,671
Basic earnings per share – pence on continuing operations	0.32	0.39	0.75
Diluted earnings per share – pence on continuing operations	0.23	0.35	0.66

11. INTANGIBLE ASSETS

	Development cost £000	Goodwill £000	Acquired intellectual property rights £000	Customer contracts £000	Total £000
Cost					
At 1 January 2018	9,385	7,883	–	–	17,268
Foreign exchange differences	11	–	–	–	11
Additions	610	–	–	–	610
At 1 January 2019	10,006	7,883	–	–	17,889
Foreign exchange differences	(55)	–	–	–	(55)
Additions	918	–	–	–	918
At 1 January 2020	10,869	7,883	–	–	18,752
Foreign exchange differences	89	–	–	–	89
Additions	1,227	–	–	–	1,227
Arising on acquisition (note 18)	–	829	300	1,000	2,129
At 31 December 2020	12,185	8,712	300	1,000	22,197
Amortisation					
At 1 January 2018	8,108	4,759	–	–	12,867
Foreign exchange differences	10	–	–	–	10
Charge for year	285	–	–	–	285
At 1 January 2019	8,403	4,759	–	–	13,162
Foreign exchange differences	(40)	–	–	–	(40)
Charge for the year	311	–	–	–	311
At 1 January 2020	8,674	4,759	–	–	13,433
Foreign exchange differences	43	–	–	–	43
Charge for the period	450	–	15	50	515
At 31 December 2020	9,167	4,759	15	50	13,991
Net book value					
At 31 December 2020	3,018	3,953	285	950	8,206
At 31 December 2019	2,195	3,124	–	–	5,319
At 31 December 2018	1,603	3,124	–	–	4,726

Goodwill arising prior to 1 January 2018 relates to acquisition prior to the date of transition to IFRS of 1 January 2015 and therefore the exemption for business combinations completed before that date has been applied and the amounts not restated.

The Board consider that there is only one CGU. In accordance with the accounting policy, goodwill is tested annually for impairment, Management have used a fair value less cost of sales methodology supported by offers for the Group and consider that the value supports the carrying value of goodwill at each period end.

12. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and equipment £000	Total £000
Cost		
At 1 January 2018	896	896
Additions	39	39
	<hr/>	<hr/>
At 1 January 2019	935	935
Additions	68	68
	<hr/>	<hr/>
At 1 January 2020	1,003	1,003
Foreign exchange differences	7	7
Additions	17	17
Disposal	(42)	(42)
Arising on acquisition	2	2
	<hr/>	<hr/>
At 31 December 2020	987	987
Amortisation		
At 1 January 2018	836	836
Charge for year	37	37
	<hr/>	<hr/>
At 1 January 2019	873	873
Charge for the year	50	50
	<hr/>	<hr/>
At 1 January 2020	923	923
Foreign exchange differences	8	8
Charge for the period	45	45
Disposal	(42)	(42)
	<hr/>	<hr/>
At 31 December 2020	934	934
Net book value		
	<hr/>	<hr/>
At 31 December 2020	53	53
	<hr/>	<hr/>
At 31 December 2019	80	80
	<hr/>	<hr/>
At 31 December 2018	62	62

13. TRADE AND OTHER RECEIVABLES

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Trade receivables	1,593	1,646	2,369
Corporation tax	145	406	596
Other receivables	163	97	229
Prepayments and accrued income	336	781	298
	<hr/>	<hr/>	<hr/>
Total trade and other receivables	2,237	2,930	3,492

14. TRADE AND OTHER PAYABLES

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
All amounts shown fall due within one year.			
Trade payables	405	618	592
Amounts due to related parties	–	330	–
Other taxes and social security	362	476	1,438
Other creditors	170	154	27
Total trade and other payables	937	1,578	2,057

15. LOANS AND BORROWINGS

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Non-current			
Loans	1,400	1,320	3,658
Accrued interest	530	307	353
Total trade and other payables	1,930	1,627	4,011

Loans comprise of

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Secured			
External investor	450	450	450
Directors	500	420	770
Unsecured			
External investor	350	350	–
Bank loan- CBILS scheme	–	–	250
Deferred consideration	–	–	2,088
Directors	100	100	100
	1,400	1,320	3,658

The loans from Directors, the external investor and the bank bears interest at rates between bank base plus and 3 per cent. and LIBOR plus 9 per cent.. No interest is charged on the deferred consideration loan in respect of the EDI Plus Limited acquisition.

In May 2021, £300,000 of the Director's loan account was repaid.

Maturity analysis

	£000	£000	£000
Within two to five years	1,930	1,627	4,011
	1,930	1,627	4,011

16. ACCRUALS AND DEFERRED INCOME

All amounts shown fall due within one year.

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Accruals	509	527	704
Deferred income	1,570	1,906	1,809
	<u>2,079</u>	<u>2,433</u>	<u>2,513</u>

17. LEASES

	Right of use property £000	Total £000
Cost		
At 1 January 2019	–	–
Additions	1,946	1,946
At 1 January 2020	1,946	1,946
Additions	203	203
Arising on acquisition	22	22
Disposal	(828)	(828)
At 31 December 2020	<u>1,343</u>	<u>1,343</u>
Depreciation		
At 1 January 2019	–	–
Charge for the year	386	386
At 1 January 2020	386	386
Charge for the period	231	231
Disposal	(171)	(171)
At 31 December 2020	<u>446</u>	<u>446</u>
Net book value		
At 31 December 2020	<u>897</u>	<u>897</u>
At 31 December 2019	<u>1,560</u>	<u>1,560</u>

Lease liabilities

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Brought forward		1,941	1,737
Interest	–	90	67
Lease payments	–	(294)	(457)
Additions	–	–	204
Disposals	–	–	(574)
	<u>–</u>	<u>1,737</u>	<u>977</u>

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Due within 1 year	–	366	248
Due 2 – 5 years	–	1,286	681
Due over 5 years	–	85	48
	<u>–</u>	<u>1,737</u>	<u>977</u>

The Company's right to buy assets consist of the Company's premises, data centres' and sundry office equipment. The expiry of the leases varies between 1 and 9 years.

18. BUSINESS COMBINATION

On the 30th June 2020, the Group acquired 100 per cent. of the share capital of EDI Plus Limited, an unlisted Company incorporated in the UK in exchange for cash and deferred consideration of £2.3m. EDI Plus Limited provides hosted EDI services and e-invoicing solutions enabling businesses to trade digitally within the supply chain. EDI Plus Limited was held and controlled by a party whose beneficiary is the spouse of a member of key management and there was also common key management between EDI Plus Limited and the Group. The Company was acquired on 18 November 2020 but the control and profits of EDI Plus Limited passed to the Group on 30 June 2020.

The assets and liabilities as at 30 June 2020 arising from the acquisition were as follows:

	Carrying amount £000	Fair value adjustment £000	Fair value £000
Property, plant and equipment	1	–	1
Intangible assets		1,300	1,300
Trade receivables and other debtors	650	–	650
Cash in hand	277		277
Trade and other payables	(140)	–	(140)
Deferred income	(359)	–	(359)
Deferred tax	–	(247)	(247)
Net assets acquired	429	1,053	1,482
Goodwill			829
Total consideration			2,311
Satisfied by:			
Cash			223
Deferred consideration			2,088
			2,311
Outflow of cash to acquire subsidiary, net of cash acquired			
Cash consideration			223
Less: cash balances acquired			(277)
Net inflow of cash – investing activities			(54)

The goodwill is attributable to the knowledge and expertise of the workforce, the expectation of future contracts and the operating synergies that arise from the Group's strengthened market position. It will not be deductible for tax purposes.

EDI Plus Limited contributed £642k and £142k of the group revenues and profit respectively from the date of acquisition. Had the acquisition occurred at the 1 January 2020, the Group's revenue for the period would have been £1,252k and the profit would have been £232k.

As at the 31 December 2020, there is an amount of £2,088k that remains payable to the former owner of EDI Plus Limited. These amounts are contractually payable over a 5 year period ended 31 December 2025 but the Directors expect this to be repaid within 2 years.

19. SHARE CAPITAL

Authorised

	Year ended 31 December 2018 Number	Year ended 31 December 2019 Number	Year ended 31 December 2020 Number
Ordinary shares of 1 p each	189,748,257	189,748,257	189,748,257
Deferred shares of 1 p each	110,251,743	110,251,743	110,251,743
Total	300,000,000	300,000,000	300,000,000
	£000	£000	£000
Ordinary shares of 1 p each	1,897	1,897	1,897
Deferred shares of 1 p each	1,102	1,102	1,102
Total	2,999	2,999	2,999

Allotted, called up and fully paid (except as disclosed)

	Year ended 31 December 2018 Number	Year ended 31 December 2019 Number	Year ended 31 December 2020 Number
Ordinary shares of 1 p each	103,211,838	127,671,264	127,671,264
Deferred shares of 1 p each	110,251,743	110,251,743	110,251,743
Total	213,463,581	237,923,007	237,923,007
	£000	£000	£000
Ordinary shares of 1 p each	1,032	1,277	1,277
Deferred shares of 1 p each	1,102	1,102	1,102
Total	2,134	2,379	2,379

Voting

All Ordinary shares are entitled to one vote each. The holders of deferred shares are not entitled to receive notice of, to attend, to speak or to vote at any general meeting of the Company.

Dividends

The profits of the Company available for distribution shall be used to pay dividends to the holders of Ordinary Shares a dividend equivalent to such amounts as the Directors may determine and as is approved by the Ordinary Shareholders in general meeting.

Share movements in the period

In 2019, the Company issued 24,459,426 ordinary of 1 p each for total consideration of £391,000.

20. SHARE OPTIONS

The Company has a share option scheme for certain employees of the Group. Options are granted with a fixed exercise price. The vesting period varies from vesting immediately to vesting over 2 years from the date of grant. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of equity settled share options outstanding during the year are as follows:

Year ended 31 December 2018

Grant date	Outstanding at 1 January 2018	Granted	Exercised	Lapsed	Outstanding at 31 December 2018	Exercise period	Exercise price
04/12/2009	25,539,426	–	–	–	25,539,426	10 years	1.595p
08/08/2011	1,250,000	–	–	–	1,250,000	10 years	1.595p
14/04/2015	750,000	–	–	–	750,000	10 years	1.595p
10/04/2017	13,075,000	–	–	–	13,075,000	10 years	3.000p
	40,614,426	–	–	–	40,614,426		

Year ended 31 December 2019

Grant date	Outstanding at 1 January 2019	Granted	Exercised	Lapsed	Outstanding at 31 December 2019	Exercise period	Exercise price
04/12/2009	25,539,426	–	(24,459,426)	(1,080,000)	–	–	–
08/08/2011	1,250,000	–	–	–	1,250,000	10 years	1.595p
14/04/2015	750,000	–	–	–	750,000	10 years	1.595p
10/04/2017	13,075,000	–	–	–	13,075,000	10 years	3.000p
	40,614,426	–	(24,459,426)	(1,080,000)	15,075,000		

Year ended 31 December 2020

Grant date	Outstanding at 1 January 2020	Granted	Exercised	Lapsed	Outstanding at 31 December 2020	Exercise period	Exercise price
08/08/2011	1,250,000	–	–	–	1,250,000	10 years	1.595p
14/04/2015	750,000	–	–	–	750,000	10 years	1.595p
10/04/2017	13,075,000	–	–	–	13,075,000	10 years	3.000p
31/03/2020	–	2,000,000	–	–	2,000,000	10 years	14.000p
	15,075,000	2,000,000	–	–	17,075,000		

20. SHARE BASED PAYMENTS

Details of the share options and weighted average exercise price (WAEP) during the years are as follows:

	31 December 2018		31 December 2019	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	40,614,426	2.047p	40,614,426	2.047p
Exercised during the year	–	–	(24,459,426)	1.595p
Lapsed during the year	–	–	(1,080,000)	1.595p
Forfeited during the year	–	–	–	–
	40,614,426	2.047p	15,075,000	2.814p
	31 December 2019		31 December 2020	
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	40,614,426	2.047p	15,075,000	2.814p
Granted during the year	–	–	2,000,000	14.000p
Exercised during the year	(24,459,426)	1.595p	–	–
Lapsed during the year	(1,080,000)	1.595p	–	–
Forfeited during the year	–	–	–	–
	15,075,000	2.814p	17,075,000	4.124p

The weighted average contractual life of share options outstanding as at 31 December 2020 was 6 years (31 December 2019: 7 years, 31 December 2018: 4 years).

Itim recognises equity settled share-based payment expenses based on the fair value determined by the Black Scholes model. The model is internationally recognised as being appropriate to value employee share options schemes. There were no options issued in the years ended 31 December 2018 and 2019. The inputs into the option issue in the year ended 31 December 2020 were as follows:

	Year ended 31 December 2020 £000
Share price	14p
Exercise price	14p
Expected volatility	20%
Expected life	10 years
Risk free rate	<u>0.5%</u>

Risk-free rate

The risk-free interest rate is based on the lower of the Bank of England’s base rate and 0.5 per cent..

Share price

For the issue at March 2020 the share price represents the Actual Market Value (AMV) agreed by HMRC.

Volatility

The measure of volatility is based management’s estimate after considering the historical volatility of guideline companies operating within the same industry as itim Group, over a 10-year time period.

21. FINANCIAL INSTRUMENTS

The Group’s financial assets comprise cash and cash equivalents, trade receivables and accrued income. These are all measured at amortised cost. The financial liabilities comprise loans and borrowings, trade payables and accruals, lease liabilities and deferred consideration payable for acquisitions of subsidiaries. These are measured at amortised cost.

The majority of the financial instruments arise directly from the operations with the exception of loans and borrowings and lease liabilities which have been used to finance the operations.

Fair values of financial instruments

For the following financial assets and liabilities: trade and other payables, trade and other receivables and cash at bank and in hand, the carrying amount approximates the fair value of the instrument due to the short-term nature of the instrument. The Directors consider that there is no material difference between book value and fair value for any of the financial instruments held.

Financial risk management

The Group’s activities expose the Group to a number of risks including capital management risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk.

It is the Group’s policy that no trading in financial instruments should be undertaken.

There have been no substantive changes in the Group’s exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group’s risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group’s finance function. The Board receives monthly reports from the Finance Department through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group’s competitiveness and flexibility. Further details regarding these policies are set out below:

Interest rate risk

The Group's interest rate exposure arises mainly from the interest bearing borrowings as disclosed in note 17. All the Group's facilities were at floating rates, which exposed the entity to cash flow risk. However given the low level of borrowings this is not considered material.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's largest financial assets are the cash balances held in banks and it is exposed to credit risk on those balances. It is the Group's policy only to make deposits with banks with an acceptable credit rating.

The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. An ageing analysis of trade receivables is detailed below:

2020

	Total £000	Current £000	30-60 days £000	> 60 days £000
Trade receivables	2,369	1,512	336	521
Accrued income	99	99	–	–
	2,468	1,611	336	521

2019

	Total £000	Current £000	30-60 days £000	> 60 days £000
Trade receivables	1,646	1,475	131	40
Accrued income	288	288	–	–
	1,934	1,763	131	40

2018

	Total £000	Current £000	30-60 days £000	> 60 days £000
Trade receivables	1,593	1,173	251	169
Accrued income	57	57	–	–
	1,650	1,230	251	169

Trade receivables are recognised initially at the transaction price. They are subsequently measured less any provision for impairment in relation to expected credit losses. At each reporting date the Group assesses the expected credit losses and changes in credit risk since initial recognition of the receivable and a provision for impairment is recognised when considered necessary. The Group considers the ageing to be reasonable and has no history of significant bad debts. No provisions have been made in these financial statements. The Board do not consider the credit risk to be significant for the financial assets currently held.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency). Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group's main exposure to foreign currency risk is on the trade receivables in the Portuguese subsidiaries which are not held in Euro. The Directors have considered the balances at year end and

based on the level of foreign currency balances and the expected timing of settlement of those amounts that the foreign exchange risk is not material.

Liquidity risk

Liquidity risk is the risk that itim Group may encounter difficulty in meeting its obligations associated with the financial liabilities that are settled by delivering cash or other financial assets. The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows through effective cash management. The maturity analysis of the financial liabilities are included below:

As at 31 December 2020

	Carrying amount £000	1 year or less £000	1<2 years £000	2-5years £000	5 years £000
Trade and other payables	1,323	1,323	–	–	–
Right of use liability	977	248	391	253	85
Other loans and borrowings	4,012	–	3,911	101	–
	6,312	1,571	4,302	354	85

As at 31 December 2019

	Carrying amount £000	1 year or less £000	1<2 years £000	2-5years £000	5 years £000
Trade and other payables	1,298	1,298	–	–	–
Right of use liability	1,737	366	421	849	101
Other loans and borrowings	1,627	–	1,627	–	–
	4,662	1,664	2,048	849	101

As at 31 December 2018

	Carrying amount £000	1 year or less £000	1<2 years £000	2-5years £000	5 years £000
Trade and other payables	1,084	1,084	–	–	–
Right of use liability	–	–	–	–	–
Other loans and borrowings	1,930	–	1,930	–	–
	3,014	1,084	1,930	–	–

Capital management risk

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade for the foreseeable future. The Group also aims to optimise its capital structure of debt and equity so as to minimise its cost of capital. The Group in particular reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds.

22. RESERVES

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Share options reserve

The share options reserves represent the fair value of equity-settled share options granted using the Black Scholes model.

Foreign exchange reserve

This reserve includes any exchange differences arising on the retranslation of foreign subsidiaries on consolidation.

Retained earnings

This balance represents the cumulative profit and loss made by the Company net of distributions to owners.

23. SUPPORTING STATEMENT FOR CASH FLOWS

Year ended 31 December 2018

	Brought forward	Cash flow	Non cash	Carried forward
Cash	1,044	(56)	–	988
Loans and borrowings	(2,307)	377	–	(1,930)
	(1,263)	321	–	(942)

Year ended 31 December 2019

	Brought forward	Cash flow	Non cash	IFRS 16 implementation	Carried forward
Cash	988	402	–	–	1,390
Loans and borrowings	(1,930)	303	–	–	(1,627)
Leases	–	294	(85)	(1,946)	(1,737)
	(942)	999	(85)	(1,946)	(1,974)

Year ended 31 December 2020

	Brought forward	Cash flow	Non cash	Acquisition of sub	New loans	Carried forward
Cash	1,390	737	–	–	–	2,127
Loans and borrowings	(1,627)	–	(46)	(2,088)	(250)	(4,011)
Leases	(1,737)	457	303	–	–	(977)
	(1,974)	1,194	257	(2,088)	(250)	(2,861)

24. PENSION COMMITMENTS

The group makes contributions to individual pension schemes (money purchase). The amount paid during the year was £186,920 (2019: £169,460).

25. CONTINGENT LIABILITIES

itium Group Limited and its subsidiary undertakings have given cross guarantees and been granted rights to set-off in respect of group undertaking overdrafts and loans.

The Company is party to a cross guarantee for amounts payable to R M Frosell of £350,000 (2019: £350,000) by the Group.

26. RELATED PARTY TRANSACTIONS

Key management compensation is shown in note 7. There were no other key management personnel other than the Directors. The loans made from the Directors are detailed in note 15 and the amounts outstanding on the acquisition of EDI Plus Limited is disclosed in note 18.

At 31 December 2019, the Group owed £330,000 to EDI Plus Limited, a Company held for the benefit of the spouse of key management. As included in note 18, this entity was acquired during the year.

27. EVENTS AFTER THE REPORTING PERIOD

In May 2021, the Company bought back 110,251,743 of deferred shares of £0.01 each as shown in note 19 and reduced its share premium account of £10,469,000 by crediting the profit and loss reserve.

On 4 May 2021 and 11 May 2021, the Company repaid £100,000 and £200,000 respectively of a £702,000 loan from Ali Athar a Director of the Company.

28. CONTROLLING PARTY

There is no single ultimate controlling party.

PART III

SECTION C: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF EDI PLUS LIMITED

The Directors
ITIM Group plc
2nd Floor
Atlas House
173 Victoria Street
London
SW1E 5NH

21 June 2021

Dear Sirs

EDI PLUS LIMITED

We report on the historical financial information of EDI Plus Limited for the twelve months ended 31 December 2018; 31 December 2019; and 31 December 2020 (the "Historical Financial Information"); set out in Section D of Part III of the Admission Document dated 21 June 2021 (the "Admission Document") of itim Group plc. This Historical Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the Historical Financial Information.

This report is required by Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

RESPONSIBILITIES

The directors of itim Group plc (the "Directors") are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Admission Document.

BASIS OF OPINION

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom ("the FRC").

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of EDI Plus Limited as at the dates stated and of its results, 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 for Companies we are responsible for this report as part of the Admission Document and declare, to the best of our knowledge, that the information contained in this report is 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 Item 1.2 of Annex 1 and Item 1.2 of Annex 11 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

RPG CROUCH CHAPMAN LLP

Chartered Accountants

RPG Crouch Chapman LLP is a limited liability partnership registered in England and Wales (with registered number OC375705)

PART III

SECTION D: HISTORICAL FINANCIAL INFORMATION OF EDI PLUS LIMITED

Statement of Comprehensive Income

		Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Continuing operations				
Revenue	3	1,323	1,308	1,253
Cost of sales		(726)	(714)	(673)
Gross profit		597	594	580
Exceptional costs	4	(31)	–	–
Distribution costs		(69)	(72)	(74)
Administrative expenses		(395)	(211)	(215)
Profit before interest, tax, depreciation and amortisation	5	102	311	291
Depreciation		(2)	(2)	(2)
Depreciation of right of use asset		–	(16)	(32)
Operating profit		100	293	257
Finance costs	8	–	–	(1)
Other interest – right of use assets	15	–	(1)	(2)
Profit before taxation		100	292	254
Income tax	9	(29)	(56)	(22)
Profit for the year		71	236	232
Other comprehensive income		–	–	–
Total comprehensive income for the year attributable to the equity shareholders of the parent company		71	236	232

Statement of Financial Position

		As at 31 December 2018 £000	As at 31 December 2019 £000	Year ended 31 December 2020 £000
Assets				
Non-current assets				
Property, plant and equipment	10	4	2	1
Right of use asset	15	–	82	49
		4	84	50
Current assets				
Trade and other receivables	11	206	553	853
Cash and cash equivalents		154	95	364
Total current assets		360	648	1,217
Total assets				
Liabilities				
Current liabilities				
Trade and other payables	12	(130)	(136)	(152)
Right of Use liability	15	–	(32)	(33)
Total current liabilities		(130)	(168)	(185)
Non-current liabilities				
Loans and borrowings	14	–	–	(238)
Right of Use liability	15	–	(50)	(17)
Total non-current liabilities		–	(50)	(255)
Total liabilities excluding accruals and deferred income		(130)	(218)	(440)
Total net assets before accruals and deferred income		234	514	827
Accruals and deferred income	13	156	200	281
Capital and reserves attributable to shareholders of the parent company				
Share capital	16	–	–	–
Retained earnings	18	78	314	546
Shareholders' funds		78	314	546
Shareholders funds plus accruals and deferred income		234	514	827

Cash Flow Statement

	Year ended 31 December 2018 £000	Year Ended 31 December 2019 £000	Year ended 31 December 2020 £000
Cash flows from operating activities			
Profit after taxation	71	236	232
Adjustments for:			
Taxation	29	56	22
Depreciation	2	18	35
	<hr/>	<hr/>	<hr/>
Cash flows from operations before working capital changes	102	310	289
Changes in trade and other receivables	107	(347)	(300)
Changes in Accruals and deferred income	(25)	44	81
Changes in trade and other payables	(38)	(21)	38
	<hr/>	<hr/>	<hr/>
Cash generated from operations	146	(14)	108
Taxation paid	(70)	(29)	(56)
	<hr/>	<hr/>	<hr/>
Net cash flow from operating activities	76	(43)	52
Cash flow from investing activities			
Purchase of property, plant and equipment	(4)	–	(1)
	<hr/>	<hr/>	<hr/>
Net cash flow from investing activities	(4)	–	(1)
	<hr/>	<hr/>	<hr/>
Net cash flow before financing activities	72	(43)	51
	<hr/>	<hr/>	<hr/>
Cash flow from financing activities			
Purchase of own shares	(351)	–	–
Payment of lease liabilities	–	(16)	(32)
Bank loans received	–	–	250
	<hr/>	<hr/>	<hr/>
Net cash flow from financing activities	–	(16)	218
	<hr/>	<hr/>	<hr/>
Net increase in cash and cash equivalents	(279)	(59)	269
	<hr/>	<hr/>	<hr/>
Opening cash and cash equivalents	433	154	95
	<hr/>	<hr/>	<hr/>
Closing cash and cash equivalents	154	95	364
	<hr/>	<hr/>	<hr/>

Statement of Changes in Equity

	Share capital £000	Retained Earnings £000	Total Equity £000
At 1 January 2018	–	358	358
Profit for the year	–	71	71
Total comprehensive income	–	71	71
Purchase of own shares	–	(351)	(351)
At 31 December 2018	–	78	78
At 1 January 2019	–	78	78
Profit for the year	–	236	236
Total comprehensive income	–	236	236
At 31 December 2019	–	314	314
At 1 January 2020	–	314	314
Profit for the year	–	232	232
Total comprehensive income	–	232	232
At 31 December 2020	–	546	546

Notes to the Financial Information

1. GENERAL INFORMATION

EDI Plus Limited is a private limited company (“Company”) incorporated in the United Kingdom under the Companies Act 2006 (registration number 10199381). The Company is domiciled in the United Kingdom and its registered address is 2nd Floor, Atlas House, 173 Victoria Street, London SW1E 5NH.

The Company’s principal activity continues to be the provision of information services.

2. ACCOUNTING POLICIES

Basis of preparation

The Historic Financial Information (“HFI”) presents the financial results and financial position of EDI Plus Limited for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 and is prepared for the purposes of itim Group plc’s, the parent company, admission on to the AIM market of the London Stock Exchange.

The HFI has been prepared on a going concern basis and has been prepared under International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations as adopted by the European Union.

The HFI is presented in GBP, which is also the company’s functional currency and amounts are rounded to the nearest thousand, unless otherwise stated.

The principal accounting policies that have been applied to the HFI are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company derives revenue from four principal sources as noted below:

Subscription

The Company's hosted software-as-a-service subscription application, which allows customers to use hosted software over the contract period without taking possession of the software. Revenue is recognised over the contract period, commencing on the date an executed contract exists and the customer has the right-to-use and access to the platform.

Mapping

Revenue from Mapping is recognised when the service provided reaches a milestone in accordance with each individual contractual agreement. If the contract outcome cannot be estimated reliably, revenues are recognised equal to costs incurred, to the extent that costs are expected to be recovered. An expected loss is recognised immediately in the income statement.

Other services

Revenue from Other services are recognised when a service has been provided and met its performance obligations. If the service is provided over a period, revenue is deferred and recognised over the contracted period.

When bundles sales including a combination of some or all of the above are made, the revenue attributable to the contract is apportioned across the constituents of the bundle and then recognised according to the policies stated above.

Foreign currencies

Transactions denominated in a foreign currency are translated into functional currency at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation of property, plant and equipment is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment	straight line over 3 years
Fixtures and fittings	straight line over 3 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis. An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period that the asset is derecognised. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Trade and other receivables

Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method if applicable, less impairment losses. Provisions against trade and other receivables are made when there is objective evidence that the company will not be able to collect all amounts due to them in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

Trade and other payables

Trade and other payables are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

Loans and borrowings

Loans and borrowings are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income. Finance costs are recognised on an accruals basis.

Leases – as a lessee

Leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets, considered to be assets amounting to £5,000 or less; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received and increased for:

- Lease payments made at or before commencement of the lease;
- The effective interest charge of any deposits repayable at the end of the lease term;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

The discount rate used to calculate the lease liability is the rate in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. As no such interest rates were available, management considered the rate of 4.75 per cent. on equipment and 2.5 per cent. on property as appropriate and have adopted the same interest rate in 2020.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments made over the revised term, which are discounted at the same rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled based on the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Pension contributions

The company operates a defined contribution scheme for its employees. Contributions are charged to the Statement of Comprehensive Income in the year they are payable. The assets of the scheme are held separately from those of the group.

Judgements and estimates

The directors do not consider that there are any significant judgements or estimates made in the preparation of this HFI.

3. REVENUE

The analysis of the Company's revenue by geographic is set out below.

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
United Kingdom	1,118	1,126	1,055
Europe	32	5	6
Rest of World	173	177	192
	<u>1,323</u>	<u>1,308</u>	<u>1,253</u>

A breakdown of revenue by the four main revenue streams detailed in accounting policies is shown below:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Subscription	1,009	986	1,049
Mapping services	149	174	117
Services and other income	165	148	87
Total	<u>1,323</u>	<u>1,308</u>	<u>1,253</u>

Subscription, Mapping and other services revenue is recognised over time as also detailed in the accounting policies.

The following table provides information on contract assets and contract liabilities from contracts with customers:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Contract liabilities	<u>151</u>	<u>192</u>	<u>248</u>

Contract liabilities ("deferred income") are recognised when there are billings in excess of revenues. Contracts are classified as liabilities when there is an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer (or the payment is due) but the transfer has not yet completed. These arise based on the billing cycle of the Company's revenues and all are expected to be reversed in under one year.

4. EXCEPTIONAL COSTS

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Bad debts	<u>31</u>	<u>-</u>	<u>-</u>

Bad debts consisted of an amount £31k owed by Lighthouse Technology Limited, which was written off as part of shares re-purchased by the company from its former parent company Lighthouse Technology Limited.

5. PROFIT ON OPERATING ACTIVITIES BEFORE TAXATION

Profit on operating activities before taxation is stated after charging /(crediting):

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Depreciation of property, plant and equipment	2	2	2
Expenses relating to short-term leases	32	-	-
Expenses relating to low-value assets	2	-	-

6. WAGES AND SALARIES

The average monthly number of persons, including Directors, employed by the Company was:

	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2020
Selling and administration	1	1	1
Technical	15	16	16
	16	17	17

Their aggregate emoluments were:

	£000	£000	£000
Wages and salaries	592	618	600
Social security costs	58	55	60
Other pension costs	31	29	26
Other benefits	5	12	13
	686	713	700

7. DIRECTORS' REMUNERATION

Key management is made up of the directors and their remuneration is outlined below:

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Directors			
Aggregate emoluments	6	6	–
Company pension contributions	–	–	–
Total Directors' emoluments	6	6	–
Highest paid director			
Aggregate emoluments	6	6	–
Company pension contributions	–	–	–
Total Directors' emoluments	6	6	–

8. FINANCE COSTS

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Other interest and similar charges	–	–	1

9. TAXATION

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Current tax income			
UK corporate tax	29	56	22
Adjustment in respect of prior years	–	–	–
Total current tax income	29	56	22
Total current tax expense	29	56	22

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2020
Standard rate of corporation tax in the UK	19%	19%	19%
	£'000	£'000	£'000
Profit before tax	254	293	100
Profit before tax multiplied by the standard rate of corporation tax in the UK	19	56	48
Effects of:			
Expenses not deductible for tax purposes	4	–	–
Non-trade loan relationships	6	–	–
Group relief	–	–	(26)
Total tax charge for the year	29	56	22

10. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and equipment £000	Computer equipment £000	Total £000
Cost			
At 1 January 2018	3		3
Additions	–	4	4
At 1 January 2019	3	4	7
Additions	–	–	–
Disposals	(3)	–	(3)
At 1 January 2020	–	4	4
Additions	–	1	1
At 31 December 2020	–	5	5
Amortisation			
At 1 January 2018	1		1
Charge for year	1	1	2
At 1 January 2019	2	1	3
Charge for the year	1	1	2
Disposals	(3)	–	(3)
At 1 January 2020	–	2	2
Charge for the period	–	2	2
At 31 December 2020	–	4	4
Net book value			
At 31 December 2020	–	1	1
At 31 December 2019	–	2	2
At 31 December 2018	1	3	4

11. TRADE AND OTHER RECEIVABLES

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Trade receivables	193	210	279
Amounts owed from related parties	–	330	561
Other receivables	1	–	–
Prepayments and accrued income	12	13	13
Total trade and other receivables	206	553	853

12. TRADE AND OTHER PAYABLES

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
All amounts shown fall due within one year.			
Bank loans	–	–	12
Trade payables	44	13	13
Corporation tax	29	56	22
Other taxes and social security	57	63	105
Other creditors	–	4	–
Total trade and other payables	130	136	152

13. ACCRUALS AND DEFERRED INCOME

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Accruals and deferred income	156	200	281

14. BORROWINGS

	Year ended 31 December 2018 £000	Year ended 31 December 2019 £000	Year ended 31 December 2020 £000
Bank loans			
Amounts falling due within one year	–	–	12
Amounts falling due within 2-5 years	–	–	238
	–	–	250

The bank loan is secured by way of a fixed and floating charge over all the property or undertaking of the company.

15. RIGHT OF USE ASSETS AND LEASES

	Property £000	Fixtures and equipment £000	Total £000
Cost			
At 1 January 2018	–	–	–
Additions	–	–	–
At 1 January 2019	–	–	–
Additions	67	31	98
At 1 January 2020	67	31	98
Additions	–	–	–
At 31 December 2020	67	31	98
Amortisation			
At 1 January 2018	–	–	–
Charge for year	–	–	–
At 1 January 2019	–	–	–
Charge for the year	13	3	16
At 1 January 2020	13	3	16
Charge for the period	23	10	33
At 31 December 2020	36	13	49
Net book value			
At 31 December 2020	31	18	49
At 31 December 2019	54	28	82
At 31 December 2018	–	–	–
Lease liabilities			
	31 December 2018 £000	31 December 2019 £000	31 December 2020 £000
As at 1 January	–		
Additions	–	97	82
Interest paid	–	1	2
Repayments of principal	–	(16)	(34)
As at 31 December	–	82	50
Maturity analysis – contractual undiscounted cash flow			
Less than one year	–	34	34
One to five years	–	51	17
More than five years	–	–	–
Total undiscounted cash flows	–	85	51
Total lease Liabilities			
Current	–	32	33
Non-current	–	50	17
Amounts recognised in the income statement			
Interest on lease liabilities	–	1	2
Expenses relating to short-term leases	32	–	–
Expenses relating to low-value assets	2	–	–

The company's right of use assets consist of the company's premises for data centres and sundry office equipment. The expiry of the leases varies between 1 and 3 years.

16. SHARE CAPITAL

Authorised

	Year ended 31 December 2018 Number	Year ended 31 December 2019 Number	Year ended 31 December 2020 Number
Ordinary shares of 1 p each	1	1	1
	£	£	£
Ordinary shares of 1 p each	0.01	0.01	0.01

Allotted, called up and fully paid

	Year ended 31 December 2018 Number	Year ended 31 December 2019 Number	Year ended 31 December 2020 Number
Ordinary shares of 1 p each	1	1	1
	£	£	£
Ordinary shares of 1 p each	0.01	0.01	0.01

Share movements in the year

On 29 December 2017, one £1 Ordinary share was subdivided into 100 Ordinary £0.01 shares. On 24 May 2018, one £0.01 Ordinary share was issued, increasing the total equity in issue to £1.01 made up of 101 £0.01 Ordinary shares. On 29 June 2018, 100 shares were then repurchased by EDI Plus Limited for total consideration of £351,000 and cancelled on that date, leaving 1 £0.01 ordinary share in issue at the balance sheet date.

Voting

All Ordinary shares are entitled to one vote each. The holders of deferred shares are not entitled to receive notice of, to attend, to speak or to vote at any general meeting of the Company.

Dividends

The profits of the Company available for distribution shall be used to pay dividends to the holders of Ordinary Shares a dividend equivalent to such amounts as the Directors may determine and as is approved by the Ordinary Shareholders in general meeting.

17. FINANCIAL INSTRUMENTS

The Company's financial assets comprise cash and cash equivalents, trade receivables and amounts due from related parties. All of these are measured at amortised cost. The financial liabilities include bank loans, trade payables and lease liabilities. These are measured at amortised cost.

The majority of the financial instruments arise directly from the operations with the exception of bank loans which have been used to finance the operations.

Fair values of financial instruments

The Directors considered that given the short term nature of many of the financial instruments that there is no significant difference between the fair value and carrying value. In addition, given the interest charged on the lease liabilities and bank loans the Directors consider that these are also equate to fair value.

Financial risk management

The Company's activities expose the Company to a number of risks including capital management risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. It is the Company's policy that no trading in financial instruments should be undertaken.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Finance Department through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Interest rate risk

The Company's interest rate exposure arises mainly from the interest bearing borrowings as disclosed in note 14. The Company's loan was at a floating rates, which exposed the entity to cash flow risk. However, given the current low interest rate on the CBILS loan and low expectation interest rate increase, this is not considered material.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's largest financial assets are its cash balances, trade receivables and amounts due from related parties.

The Company is exposed to credit risk on cash balances held in banks. It is the Company's policy only to make deposits with banks with an acceptable credit rating.

The Company is also exposed to credit risk from credit sales. It is Company policy to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. An ageing analysis of trade receivables is detailed below:

2020

	Total £000	Current £000	30-60 days £000	> 60 days £000
Trade receivables	279	176	99	4

2019

	Total £000	Current £000	30-60 days £000	> 60 days £000
Trade receivables	210	125	73	12

2018

	Total £000	Current £000	30-60 days £000	> 60 days £000
Trade receivables	193	132	30	31

Trade receivables are recognised initially at the transaction price. They are subsequently measured less any provision for impairment in relation to expected credit losses. At each reporting date the Company assesses the expected credit losses and changes in credit risk since initial recognition of the receivable and a provision for impairment is recognised when considered necessary.

The Company considers the ageing to be reasonable and has no history of significant bad debts. The £31k of bad debts arising in 2018 related to a loan to Lighthouse Technology Limited which was written off. As such the company has suffered no bad debts from trading activities in the past 3 years and no provisions have been made in these financial statements for expected credit losses against trade receivables. The Board do not consider the credit risk to be significant for the financial assets currently held.

The amounts held for related parties are considered annually for impairment purposes given the financial information available on those entities. The Board will consider whether any provision for expected losses would be required based on the trading performance of that entity, valuations of its business and the levels of cash in the business. No provisions for expected credit losses were made against this balance in 2019 or 2020.

Foreign exchange risk

Foreign exchange risk arises when the Company enter into transactions denominated in a currency other than its functional currency. The Company's policy is to settle liabilities denominated in its functional currency. Where the Company have liabilities denominated in a currency other than its functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group. Given the level of foreign currency activity and the financial instruments held in foreign currency, the Directors do not consider that the risk is material.

Liquidity risk

Liquidity risk is the risk that EDI Plus Limited may encounter difficulty in meeting its obligations associated with the financial liabilities that are settled by delivering cash or other financial assets.

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows through effective cash management. Maturity analysis of liabilities is included below.

As at 31 December 2020

	Carrying amount £000	1 year or less £000	1<2 years £000	2-5 years £000	>5 years £000
Trade and other payables	12	12	–	–	–
Right of use liability	50	33	17	–	–
Other loans and borrowings	250	12	70	168	–
	312	57	87	168	–

As at 31 December 2019

	Carrying amount £000	1 year or less £000	1<2 years £000	2-5 years £000	>5 years £000
Trade and other payables	13	13	–	–	–
Right of use liability	82	32	33	17	–
Other loans and borrowings	–	–	–	–	–
	95	45	33	17	–

As at 31 December 2018

	Carrying amount £000	1 year or less £000	1<2 years £000	2-5 years £000	>5 years £000
Trade and other payables	44	44	–	–	–
	44	44	–	–	–

Capital management risk

The Company's main objective when managing capital is to protect returns to shareholders by ensuring the Company will continue to trade for the foreseeable future. The Company also aims to optimise its capital structure of debt and equity so as to minimise its cost of capital. The Company in particular reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds.

18. RESERVES

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Retained earnings

This balance represents the cumulative profit and loss made by the Company net of distributions to owners.

19. SUPPORTING STATEMENT FOR CASH FLOWS

Year ended 31 December 2018

	Brought forward £000	Cash flow £000	Non cash £000	New loans £000	Carried forward £000
Cash	433	(279)	–	–	154
	433	(279)	–	–	154

Year ended 31 December 2019

	Brought forward £000	Cash flow £000	Non cash £000	New loans £000	Carried forward £000
Cash	154	(59)	–	–	95
Leases	–	16	(98)	–	(82)
	154	(43)	(98)	–	13

Year ended 31 December 2020

	Brought forward £000	Cash flow £000	Non cash £000	New loans £000	Carried forward £000
Cash	95	269	–	–	364
Loans and borrowings	–	–	–	(250)	(250)
Leases	(82)	32	–	–	(50)
	13	301	–	(250)	64

20. PENSION COMMITMENTS

The Company makes contributions to individual pension schemes (money purchase). The amount paid during the year was £26k (2019: £29k, 2018: £31k).

21. CONTINGENT LIABILITIES

Itim Group Limited and its subsidiary undertakings have given cross guarantees and been granted rights to set-off in respect of group undertaking overdrafts and loans.

The Company is party to a cross guarantee for amounts payable to R M Frosell of £350k (2019: £350k) by the Group.

22. RELATED PARTY TRANSACTIONS

Included in other debtors are amounts owed to related parties as follows:

	2018 £000	2019 £000	2020 £000
Itim Limited	–	330	530
Itim Group Limited	–	–	31
Lighthouse Technology Limited	2	–	–
	<u> </u>	<u> </u>	<u> </u>

Included in trade creditors were amounts owed to itim limited as follows:

	2018 £000	2019 £000	2020 £000
Itim Limited	34	6	5
	<u> </u>	<u> </u>	<u> </u>

Key management compensation is shown in note 7. There were no other key management personnel other the Directors.

In 2018, the company re-purchased 100 £0.01 Ordinary shares from its former parent company Lighthouse Technology Limited for £351k. As part of this transaction, the intercompany balance owed to EDI Plus Limited of £31k was written off.

23. CONTROLLING PARTY

The immediate parent company was Lighthouse Technology Limited up to 30 June 2020. The controlling party up to 30 June 2020 was Namza Trust, whose beneficiary is the spouse of a member of key management. As from that date, itim Group Limited became the immediate parent company and there was no single ultimate controlling party.

PART IV

TAXATION

The following information is based on UK tax law and HM Revenue and Customs (“**HMRC**”) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

TAX TREATMENT OF UK INVESTORS

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- a) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- b) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- c) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

DIVIDENDS

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amounts of dividends received from the Company.

UK tax resident individuals have a £2,000 per annum dividend tax-free allowance. Dividend receipts from all sources in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received from the Company but will not be entitled to claim relief in respect of any underlying tax.

DISPOSAL OF ORDINARY SHARES

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by individuals who are basic rate taxpayers is 10 per cent., and for upper rate and additional rate taxpayers is 20 per cent.

Subject to certain exemptions, the corporation tax rate applicable to the taxable profits of Shareholders within the charge to UK corporation tax is currently 19 per cent.

FURTHER INFORMATION FOR SHAREHOLDERS SUBJECT TO UK INCOME TAX AND CAPITAL GAINS TAX

Transactions in securities

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

STAMP DUTY AND STAMP DUTY RESERVE TAX (“SDRT”)

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- a) the Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- b) AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

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.

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

PART V

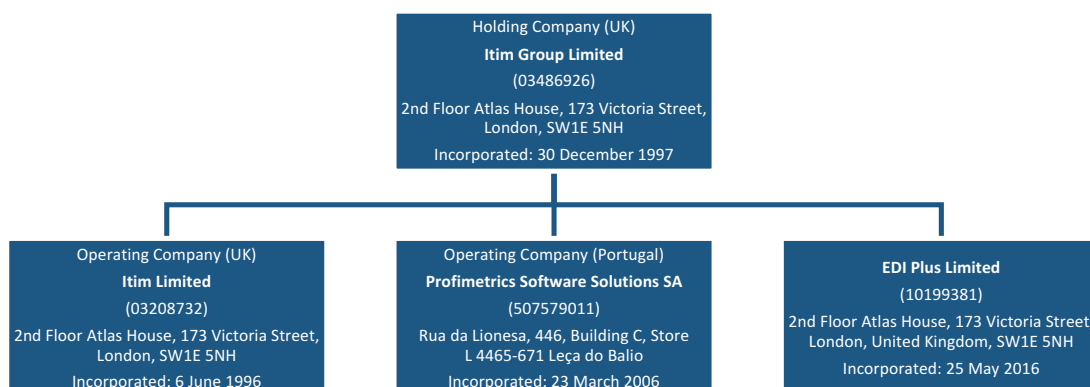
ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

- 1.1. The Company (whose registered office address appears on page 5 of this Document) and the Directors, whose names, business address and functions appear on page 5 of this Document, accept responsibility for all the information contained in this document (including any expressions of opinion) including responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge of the Company and the Directors, (each of whom has 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 its import.

2. THE COMPANY

- 2.1. The Company was incorporated and registered in England and Wales on 30 December 1997 under the Companies Act 1985 with company number 3486926 as a private limited company with the name Hammerdown Limited. By a special resolution dated 26 February 1998 the name of the Company was changed to itim Group Limited. The Company was re-registered as a public limited company and the name of the Company was changed to 'itim Group plc' on 25 July 2000. The Company was re-registered as a private limited company and the name of the Company was changed to 'itim Group Limited' on 20 December 2002. The Company was re-registered as a public limited company and the name of the Company was changed to 'itim Group plc' on 11 June 2021.
- 2.2. The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 2.3. The head and registered office of the Company is at 2nd Floor Atlas House, 173 Victoria Street, London, England SW1E 5NH. The Company's website is www.itim.com and the telephone number of the Company is +44 (0) 20 7598 7700.
- 2.4. The following reflects the Group's organisational structure. All of the Groups' subsidiaries are wholly owned:



3. SHARE CAPITAL

- 3.1. The Company was incorporated with a nominal share capital of £1 divided into 1 ordinary share of £1 each. In keeping with the Act, the Articles do not place any limit on the number of shares which the Company may issue.
- 3.2. As at 1 January 2018, being the start of the period covered by the historical financial information, the issued share capital of the Company, all of which was fully paid up, was as follows:

	Number of	Nominal value
Ordinary shares of £0.01 each	103,211,838	£1,032,118.38
Deferred shares of £0.01 each (“Deferred Shares”)	110,251,743	£1,102,517.43

- 3.3. In 2019 the Company issued 24,459,426 ordinary shares of £0.01 each for total consideration of £391,000. On 18 June 2021, 250,000 Ordinary Shares were issued to Sandra Ribeiro upon the exercise of options.
- 3.4. On 13 May 2021, the Deferred Shares were bought back by the Company for an aggregate of £0.01 and cancelled.
- 3.5. The Company’s issued share capital as at the date of this document and as it is expected to be immediately following Admission (assuming no options are exercised prior to Admission) is as set out below:

	Number of fully paid Ordinary Shares	Nominal value
At the date of this document	25,784,253	£1,289,213
On Admission	31,210,607	£1,560,530

- 3.6. Pursuant to an ordinary resolution of the Company on 4 June 2021 every 5 existing ordinary shares of £0.01 each in the capital of the Company were consolidated into 1 Ordinary Share.
- 3.7. Pursuant to an ordinary resolution of the Company on 4 June 2021 and in accordance with section 551 of the Act, the Directors of the Company were authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”) up to a maximum aggregate nominal amount of £375,000 in relation to the issue of the placing shares in connection with the admission of the entire issued share capital of the Company to trading on the AIM market operated by London Stock Exchange plc (“Placing Shares”) to such persons and at such times and on such terms as they think proper, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the earlier of the Company’s annual general meeting to be held in 2022 and 31 December 2022, save that the Company was authorised, before such expiry, to make any offer or agreement which would or might require shares to be allotted or Rights to be granted after the expiry of such period and the Directors of the Company may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding the expiry of the authority set out in this paragraph 3.7. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act but without prejudice to any allotment of shares in the Company or the granting of Rights already made or agreed to be made pursuant to such authorities.
- 3.8. Pursuant to an ordinary resolution of the Company on 4 June 2021 and in accordance with section 551 of the Act, the Directors of the Company were authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Additional Rights”) up to a maximum aggregate nominal amount of £67,500 to such persons and at such times and on such terms as they think proper, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the earlier of the Company’s annual general meeting to be held in 2022 and 31 December 2022, save that the Company was authorised, before such expiry, to make any offer or agreement which would or might require shares to be allotted or Additional Rights to be granted after the expiry of such period and the Directors of the Company may allot shares or grant Additional Rights in pursuance of such offer or agreement notwithstanding the expiry of the authority set out in this paragraph 3.8. This authority is in addition to the authority set out in paragraph 3.7.
- 3.9. Pursuant to a special resolution of the Company on 4 June 2021 and in accordance with section 570 of the Act, the Directors of the Company were given the general power to allot equity securities (as defined in section 560 of the Act) for cash, either pursuant to the authority set out in paragraph 3.7 above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the Placing Shares. The power set out in this paragraph 3.9 will expire at the earlier of the Company’s annual general meeting to be held in 2022 and 31 December 2022 (unless renewed, varied or revoked by the Company in general meeting prior to or on such date) save

that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power set out in this paragraph 3.9 has expired. This revokes and replaces all unexercised powers previously granted to the Directors of the Company to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

- 3.10. Pursuant to a special resolution of the Company on 4 June 2021 and in accordance with section 570 of the Act, the Directors of the Company were given the general power to allot equity securities (as defined in section 560 of the Act) for cash, either pursuant to the authority set out in paragraph 3.8 above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
- a. the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (other than the Company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors of the Company may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
 - b. the allotment (otherwise than pursuant to paragraph (a) of this paragraph 3.10) of equity securities up to an aggregate nominal amount of £385,000.

The power set out in this paragraph 3.10 will expire at the earlier of the Company's annual general meeting to be held in 2022 and 31 December 2022 (unless renewed, varied or revoked by the Company in general meeting prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power set out in this paragraph 3.10 has expired. This authority is in addition to the authority set out in paragraph 3.9.

- 3.11. Save as set out in this document:
- i. no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - ii. there are no shares in the capital of the Company 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;
 - iii. there are no outstanding convertible securities issued by the Company; and
 - iv. no share capital or loan capital of the Company or any of its subsidiaries (other than intra-group issues by wholly-owned subsidiaries) is in issue and no such issue is proposed.
- 3.12. None of the Ordinary Shares has been sold or made available to the public in conjunction with the application for Admission.
- 3.13. Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.
- 3.14. The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by 10 days after Admission.

- 3.15. The Placing Price of 154 pence per Ordinary Share, which is payable in full on Admission under the terms of the Placing, represents a premium of 149 pence over the nominal value of 5 pence per Ordinary Share.
- 3.16. No Shareholder has voting rights in respect of an Ordinary Share which are different from those of other Shareholders.
- 3.17. The number of Ordinary Shares and voting rights held by the existing Shareholders and Directors at the date of this Document will represent 83.4 per cent of the number of Ordinary Shares and voting rights comprised in the Enlarged Share Capital, assuming no existing Shareholders or Directors subscribe for Placing Shares.

4. ARTICLES OF ASSOCIATION

- 4.1. The Articles, which were adopted by a special resolution of the Company passed on 4 June 2021, contain, *inter alia*, provisions to the following effect:

(a) **Objects**

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles. The Articles do not contain any restrictions on the objects of the Company.

(b) **Rights attaching to Ordinary Shares**

(i) ***Voting rights***

Subject to the provisions of the Act and the Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one member has one vote and a proxy appointed by more than one member has one vote, if instructed to vote in the same way by all those members, and is entitled to one vote for and one vote against, if instructed to vote in different ways by those members. On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which it is the holder. A member of the Company shall not be entitled, in respect of any share held by them, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him or her in respect of that share in the Company have been paid or credited as having been paid.

(ii) ***Dividends***

Subject to the provisions of the Act and of the Articles and to any special rights attaching to any shares, the Company may, by ordinary resolution, declare that out of profits available for distribution dividends be paid to members of the Company according to their respective rights and interests in the profits of the Company. However, no such dividend shall exceed the amount recommended by the Board. Interim dividends may be paid provided that they appear to the Board to be justified by the profits available for distribution and the position of the Company.

Except as otherwise provided by the Articles or by the rights attached to shares, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid shares or debentures of any other company.

Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

Any dividend unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

(iii) **Return of capital**

If the Company is wound up, the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company (whether the assets shall consist of property of one kind or different kinds). For this purpose, the liquidator may set such value as the liquidator considers fair on any asset or assets and may determine how to divide it between the members or different classes of members. The liquidator may, with the authority of a special resolution and any other authority required by the law, transfer all or any part of the assets to trustees on such trusts for the benefit of members as the liquidator decides. Where the liquidator divides or transfers any assets in this way, no member shall be required to accept any asset in respect of which there is a liability.

(c) **Transfer of shares**

All transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer 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 Board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

- i. in respect of a share which is fully paid up;
- ii. in respect of a share on which the Company has no lien;
- iii. in respect of only one class of shares;
- iv. in favour of a single transferee or not more than four joint transferees;
- v. duly stamped (if so required); and
- vi. delivered for registration to the registered office of the Company (or such other place as the Board may from time to time determine) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board may not exercise such discretion in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

The Board may refuse (subject to any relevant requirements of the London Stock Exchange) to register the transfer of an uncertificated share in any circumstances permitted by the uncertificated securities rules and the relevant system.

If the Board refuses to register a transfer of a share it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for refusal.

(d) **Disclosure of interests in shares**

Pursuant to the Articles, 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 from the date of the notice, the following sanctions shall apply:

- i. the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

- ii. where the default shares represent at least 0.25 per cent. in nominal value of their class:
 - a. any dividend or other money payable in respect of the default shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
 - b. no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
 - i. the member is not himself in default as regards supplying the information required; and
 - ii. the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

(e) **Purchase of own shares**

Subject to the provisions of the Act and to any rights for the time being attached to any shares, there are no provisions in the Articles which prevent the Company with the sanction of a special resolution to enter into any contract for the purchase of its own shares.

(f) **Variation of rights**

Subject to the provisions of the Act, the rights attached to any share or class of share in the Company may be varied or abrogated 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 the shares of the class.

The quorum for such separate general meeting of the holders of the shares of the class shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question.

(g) **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 Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members in accordance with the Act.

The accidental omission to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to any person(s) entitled to receive the same shall not invalidate the proceeding at that meeting.

No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chair which shall not be treated as part of the business of the meeting. Two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

If a quorum is not present within fifteen minutes (or such longer interval as the chair in his or her absolute discretion thinks fit), or if a quorum ceases to be present during a meeting, the meeting shall be dissolved if convened on the requisition of members. In any other case, the meeting shall be adjourned until such day (not being less than ten clear days after the date of the original meeting), and at such time and place as the chair may (or in default, the Board) may determine. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, one person entitled to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum and any notice of an adjourned meeting shall state this.

The chair may, without consent of the meeting, interrupt or adjourn any general meeting if he or she is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

(h) **Board authorisation of conflicts**

Subject to and in accordance with the Act and the provisions of the Articles, the Board may authorise any matter or situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation shall be effective only if:

- i. any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director;
- ii. the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director; and
- iii. the conflicted Director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the matter or situation which is the subject of the conflict or possible conflict.

(i) **Directors' interests**

Provided permitted by any relevant legislation and provided that he or she has disclosed to the Board the nature and extent of his interest in accordance with the Articles, a Director, notwithstanding his office:

- i. may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- ii. may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;
- iii. may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- iv. hold any office or place of profit with the Company (except as auditor) in conjunction with his or her office of Director for such period and upon such terms, including as to remuneration as the Board may decide.

(j) **Directors' ability to vote and count for quorum**

A Director shall not vote on or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board concerning any transaction or arrangement with the Company in which he or she has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, save that a Director shall be entitled to vote and be counted in the quorum in respect of any resolution at such meeting if the resolution relates to one of the following matters:

- i. the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- ii. the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself or she herself has assumed responsibility in whole or in part, either

alone or jointly with others, under a guarantee or indemnity or by the giving of security;

- iii. where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- iv. relating to another company in which he or she and any persons connected with him or her do not to his or her knowledge hold an interest in shares representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- v. relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- vi. concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors
- vii. a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates.

A Director may not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment as the holder of any office or position of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more Directors to offices or position of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

(k) **Directors**

The Directors shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £500,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine).

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as Director. If by arrangement with the Board any Director performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he or she may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

(i) **Pensions and benefits**

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or who has at any time been a Director or any director of a subsidiary company of the Company or allied to or associated with the Company or such subsidiary or predecessor in business of the Company or any such subsidiary (and for any member of his family including a spouse or former spouse or civil partner or former civil partner or any person who is or was dependent on him). For this purpose the Board may, *inter alia*, establish, maintain, subscribe and contribute to any scheme, institution, club, trust or fund and pay premiums.

(l) **Indemnification of Directors**

Subject to, and to the fullest extent permitted by, law, every Director and every director of any associated company, former Director, alternate Director secretary or other officer of the Company (other than an auditor) may (at the discretion of the Board) be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him or her in relation to anything done, omitted or alleged to have been done by him or her in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the Articles.

(m) **Borrowing powers**

Subject to the provisions of the Act and to the provisions set out in the Articles, the Board may exercise all the powers of the Company to borrow money to guarantee, to indemnify and to mortgage or charge its undertaking, property assets (present or future) and uncalled capital, or any part or parts thereof, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

The aggregate principal amount at any one time outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company, exceed two times the aggregate of the adjusted capital and reserves.

5. SIGNIFICANT SUBSIDIARIES

5.1. The Company is the holding company of the Group.

5.2. The Company currently has the following significant subsidiaries:

Name	Registration number	Status	Place of incorporation	Percentage of voting share capital held
Itim Limited	03208792	Active	England and Wales	100%
EDI Plus Limited	10199381	Active	England and Wales	100%
Profimetrics Software Solutions S.A	507579011	Active	Portugal	100%

5.3 The Company referred in its last published accounts (for the period ended 31 December 2020) to its 10.83 per cent shareholding in Pacific Knowledge Platform Inc. No value was attributed to this investment in such accounts and the Directors have noted that this holding was included in error and, accordingly, going forward have decided not to recognise it.

6. SIGNIFICANT SHAREHOLDERS

6.1. In addition to the interests of the Directors set out in paragraphs 7.9 to 8 below, as at the date of this document, insofar as is known to the Company, the following persons are, or will at Admission be, interested in 3 per cent. or more of the issued share capital of the Company:

Name	As at the date of this document		Immediately following admission	
	Number of ordinary shares	Percentage of issued ordinary shares	Number of ordinary shares	Percentage of issued ordinary shares
Mahmood Ali Athar*	11,985,415	46.5	11,985,415	38.4
Lewis Family**	5,639,364	21.9	5,639,364	18.1
Robert Frosell	2,383,924	9.3	2,383,924	7.6
Curtis Family***	1,631,422	6.3	1,631,422	5.2
Ian Hayes	850,170	3.3	850,170	2.7
Herald Investment Management Limited	0	0	1,298,701	4.2

* The shareholdings in which Mahmood Ali Athar and his family are interested are split between his personal holding (3.10%), those held by Rowanmoor Trustees Limited (Designation: 09/9071) for his pension fund (6.98%) and those held by Nazam Limited, for the benefit of the Namza Trust, of which Mahmood Ali Athar's wife, Ambreen Zaman, her children and remoter issues are the named beneficiaries (36.41%). The trustees of the Trust are Ali Zain Aziz (Ambreen Zaman's nephew) and Haroon Athar (Mahmood Ali Athar's brother) and the Protector of the Trust (who can appoint and remove trustees and whose consent is required for the exercise of certain of the trustees' powers and discretions) is Seema Aziz (Ambreen Zaman's sister). These parties together form the Ali Athar Concert Party.

** Rowan Jane Lewis, Nicholas Peter Lewis and Rowanmoor Trustees Limited (Designation: 09/9071) (Nicholas Lewis Pension Fund).

*** Simon Curtis and Sarah Jane Curtis and Rowanmoor Trustees Limited (Designation: 09/4077) (Simon Curtis Pension Fund).

7. DIRECTORS AND EMPLOYEES

7.1. The Directors and each of their respective functions are set out in Part I of this document.

7.2. The business address of the Directors is 2nd Floor Atlas House, 173 Victoria Street, London, SW1E 5NH.

7.3. Details of the length of service of each of the Directors to date in their current office are set out below:

Name	Date of birth	Commencement date in office
Michael Jackson	16 March 1950	1 January 2015
Ali Athar	21 May 1955	2 March 1998
Bob Frosell	17 February 1949	1 October 2001
Ian Hayes	9 September 1964	29 March 2006
Sandra Ribeiro	23 September 1975	19 October 2017
Justin King	19 May 1961	On Admission
Lee Williams	25 September 1968	On Admission
Frank Lewis	13 January 1946	On Admission

7.4. Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member in addition to their directorships of the Company and its subsidiary undertakings are set out below:

Name	Current directorships and partnerships	Previous directorships and partnerships
Michael Jackson	Angloinfo Limited (in liquidation) ASF Finance Limited Contis Group Limited Draper Espirit VCT Plc Elderstreet Capital Partners Nominees Limited Elderstreet Nominees Limited Elderstreet Private Equity Limited Footage Limited	A.I. Talent Ltd Access Intelligence Media and Communications Limited Access Intelligence plc Aimediadata Ltd B&F Management Limited Backup and Running plc Bumper International Limited Concorde Solutions Ltd

Name	Current directorships and partnerships	Previous directorships and partnerships
Michael Jackson (continued)	Fords Packaging Systems Limited Fords Packaging Topco Limited Image Source Group Limited Image Source Trading Ltd Lyalvale Express Limited Macranet Limited Michael Jackson Holdings Limited MWS Technology Ltd NBS Capital Plc Netcall Plc Old Vicarage Nominees Limited RAH Concerts Ltd Royal Albert Hall Developments Limited Select Software Tools Plc (Voluntary Arrangement) Structured Software Limited Syncissue Limited The Kellan Group Limited United Authors Publishing Limited Uvenco UK Plc (in liquidation)	Elderstreet Ballater Limited Elderstreet Holdings Limited Elderstreet Investments Limited Lyalvale Property Limited One Voice Software Limited Oneview Group Limited Soames Limited SCP (UK1) LLP Trailight Ltd Zoich Limited
Ali Athar	E-Invoice Solutions Limited Inclusiviti Limited	Casewise Systems Limited Engali Limited Summer Suitcase Ltd
Bob Frosell	Corelogic FNC, Inc. (Fn) Corelogic FNC, Inc. FNC, Inc.	None
Ian Hayes	None	None
Sandra Ribeiro	None	None
Justin King	Harbury House Limited Harrison King LLP Made By Sport Made By Sport Trading Limited Marks and Spencer Group Pl.c.	Annington Limited Auldene Holdings Limited Auldene Nurseries Limited Beacon Garden Centres Limited Beemaline Ltd Blooms Garden Centres Limited Blooms New Plants Limited Blooms Of Bressingham Holdings Limited Blooms Of Bressingham Limited Bressingham Limited Bridgemere Nurseries Limited Bridgemere Nurseries Trading Limited C.S.L. Holdings Limited Continental Shelf 399 Limited Continental Shelf 400 Limited Country Garden Centres Limited Country Gardener Limited(The) Country Gardens Limited Coventry Garden Centre Limited

Name	Current directorships and partnerships	Previous directorships and partnerships
Justin King (continued)		EHGT Limited Floris Limited Foster Garden Centres Limited Foster Nurseries Limited Garden Centre Holdings Limited Garden Centre Property Development Trading Limited Gardeneasy.Com Limited Gardenscape Supplies Ltd Glamorgan Vale (Leisure Centres) Limited Golden Acres (Holdings) Limited Golden Acres Nurseries Limited Gosforth Land Limited Great Gardens Of England Investments Limited Great Garden of England Limited Great Park Nurseries Limited H.Warburton(Timperley)Limited Heighley Gate Garden Centre Limited Jackswood Garden Centre Limited Jardinerie Limited Kennedys Garden Centres Limited L.R.Russell Limited Oakheart Limited Old Barn Nurseries Ltd Pacific Shelf 1435 Limited Pacific Shelf 1436 Limited Pacific Shelf 1437 Limited Pacific Shelf 1447 Limited Peter Barratt's (G & S) Limited Peter Barratt's Garden Centre (Beverley) Limited Peter Barratt's Garden Centres Limited Podington Nurseries Limited Prince's Garden Centres Limited Raglan Garden Centre Limited Sage Recruitment Limited Sanders Garden World Limited Stevenage Garden Centre Limited(The) The Garden & Leisure Centre Limited The Garden Centre Group Limited The Monkey Business Foundation Limited Trellis Acquisitions Limited Trellis Finance Limited

Name	Current directorships and partnerships	Previous directorships and partnerships
Justin King (continued)		Trellis Holdco Limited Trellis Investments Limited Trellis Management Limited Waterside Garden Centre And Nursery Limited WGC Financial Services Limited WGC Seeds Holdings Limited WGC Seeds Limited WGC Trellis Holdco Limited Woodcote Green Nurseries (Holdings) Limited Woodcote Green Nurseries Limited Wye 2004 Limited Wyevale Acquisitions Borrower Limited Wyevale Acquisitions Limited Wyevale Garden Centres Acquisitions Limited Wyevale Garden Centres G&L Limited Wyevale Garden Centres Holdings Limited Wyevale Garden Centres Limited
Lee Williams	Contracts Limited Efsel Limited French Connection (China) Limited French Connection (London) Limited French Connection Ecommerce International Limited French Connection Group Plc French Connection Limited French Connection Overseas Limited(The) French Connection UK Limited N F Restaurants Limited Western Jean Company Limited YMC Limited	All Day Long Limited IndiaCoCo Ltd Toast (Mail Order) Limited
Frank Lewis	Arricano Real Estate plc	Active Energy Group plc Pembridge Resources plc Herts Traffic Management Limited Community Solar UK Limited Staffordshire Holdco Limited Herbeos Ltd

7.5. Save as disclosed in paragraph 7.8 below, at the date of this document none of the Directors named in this document:

7.5.1. has any unspent convictions in relation to indictable offences;

7.5.2. has been declared bankrupt or has entered into an individual voluntary arrangement;

7.5.3. was a director of any company at the time of or within the 12 months preceding any 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 with which such company was concerned;

- 7.5.4. was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- 7.5.5. has had his assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or
- 7.5.6. has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor 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.
- 7.6. Details of the number of the Group's employees for each of the three financial years ended 31 December 2020 are as follows:

Financial period end	Average number of employees
31 December 2018	114
31 December 2019	129
31 December 2020	157

- 7.7. As at 31 December 2020, the employees of the Group were employed as follows:

Central management	6
Technical	123
Sales and marketing	6
Finance and administration	10
TOTAL	145

7.8 Director's confirmations

- 7.8.1. The Directors have held the following directorships in companies that have been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he or she was a director of that company or within the 12 months after he or she ceased to be a director of that company:

Director	Company	Date
Michael Jackson	Angloinfo Limited (in liquidation)	Mr Jackson was appointed as a director of Angloinfo Limited on 24 February 2012. On 23 August 2018 the company went into voluntary creditors liquidation. The liquidation is still ongoing.
	Select Software Tools Plc (Voluntary Arrangement)	Mr Jackson was appointed as a director of Select Software Tools Plc on 30 September 1992. On 19 August 1999 the company went into a creditors voluntary arrangement. The creditors voluntary arrangement is still ongoing.

Director	Company	Date
Michael Jackson (continued)	Uvenco UK Plc (in liquidation)	Mr Jackson was appointed as a director of Uvenco UK Plc on 29 November 2007. On 29 October 2018 the company went into voluntary creditors liquidation. The liquidation is still ongoing.
	E-Trader Group Limited	Mr Jackson was appointed as a director of E-Trader Group Limited on 15 October 2007. On 26 October 2012 the company went into voluntary creditors liquidation. The company was dissolved on 10 December 2014. Preferential creditors received full payment, and one secured creditor received distributions in relation to the fixed and floating charges, the other did not receive a distribution due to insufficient asset realisations. Ordinary Unsecured Creditors received £11,598 with regards to claims totalling £255,009.
	Medialoom Limited	Mr Jackson was appointed as a director of Medialoom Limited on 23 December 1999. On 9 July 2001 the company went into a creditors voluntary liquidation. The company was dissolved on 14 January 2006. The deficiency as regards to creditors was approximately £290,000.
	Steve Dudman Plant Limited	Mr Jackson was appointed as a director of Steve Dudman Plant Limited on 22 September 2005. On 7 January 2006 the company was dissolved by way of an Administration Order. The deficiency as regards to creditors was approximately £28,225.

Director	Company	Date
Ian Hayes	The Gaming Bourse Plc (Voluntary Arrangement)	Mr Hayes was appointed as a director of The Gaming Bourse Plc on 15 December 2003 until 12 May 2004. On 12 October 2004 the company went into a creditors voluntary arrangement. The deficiencies of the company outstanding was £1.3 million; and it was dissolved on 4 April 2013.
Frank Lewis	Telephone Maintenance Group Plc	Placed in administrative receivership on 26 September 2007; deficit to unsecured creditors of £1.65 million. Mr Lewis resigned as Non-Executive Director on 25 January 2007 after serving only three and half months.
	The Industry Limited	Placed in administrative receivership on 4 December 2003; deficit to unsecured creditors of £1.14 million. Mr Lewis was a Non-Executive Director for less than eight months, representing a private equity firm.
	WGL Realisations 2010 Limited	Mr Lewis was appointed as a director of WGL Realisations 2010 Limited on 1 February 2007. On 10 September 2009, the company was placed in to administrative receivership. On 3 September 2010, the company was placed into a creditor's voluntary liquidation after the administrators sought a Court Order to enable a distribution in the administration. Payments of approx. £1.5 million were made in relation to claims of approximately £6.7 million.

7.9. Directors' and other interests

7.9.1. The interests of the Directors, their immediate families and any persons connected with them (within the meaning of section 252 of the Act) (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

Director	As at the date of this document		Immediately following Admission	
	Number of Ordinary Shares	Percentage of issued Ordinary Shares	Number of Ordinary Shares	Percentage of issued Ordinary Shares
Ali Athar*	11,985,416	46.5	11,985,416	38.4
Michael Jackson	550,405	2.1	550,405	1.8
Bob Frosell	2,383,924	9.3	2,383,924	7.6
Ian Hayes	850,170	3.3	850,170	2.7
Sandra Ribeiro	270,095	1.1	270,095	0.9
Justin King	0	0	231,548	0.7
Lee Williams	0	0	0	0
Frank Lewis	0	0	0	0
Total	16,040,010	62.2	16,271,558	52.1

* Ordinary Shares held by the Ali Athar Concert Party (as detailed in the footnote to paragraph 6.1 of this Part V).

7.10 Directors' remuneration and service agreements

The position in respect of director service agreements is as follows:

Ali Athar

7.10.1 Ali Athar is employed as Chief Executive Officer pursuant to the terms of a service agreement with itim Limited dated 21 June 2021. The agreement is terminable by either party on not less than twelve months' written notice. Mr Athar is paid a basic annual salary of £295,000. His basic salary is subject to annual review by the Board. In addition, Mr Athar receives a contribution of five per cent. of his basic salary to a personal pension plan of his choice. Mr Athar is subject to certain non-competition and non-solicitation covenants for a period of 6 months following the termination of his employment. The agreement is governed by English law.

Ian Hayes

7.10.2 Ian Hayes is employed as Chief Financial Officer pursuant to the terms of a service agreement with itim Limited dated 21 June 2021. The agreement is terminable by either party on not less than twelve months' written notice. Mr Hayes is paid a basic annual salary of £180,000. His basic salary is subject to annual review by the Board. He is entitled to a bonus of £30,000 on Admission. In addition, Mr Hayes receives a contribution of ten per cent. of his basic salary to a personal pension plan of his choice. Mr Hayes is subject to certain non-competition and non-solicitation covenants for a period of 6 months following the termination of his employment. The agreement is governed by English law.

Sandra Ribeiro:

7.10.3 Sandra Ribeiro is employed as International CEO pursuant to the terms of a service agreement and letter of engagement with Profimetrics Software Solutions SA dated 1 April 2006 and 21 June 2021 respectively. The letter of engagement is terminable by either party on not less than twelve months' written notice. Ms Ribeiro is paid a basic annual salary of 175,000€, plus benefits, including an annual bonus up to a maximum of up to 70,000€. Her basic salary is subject to annual review by the Board, annually. The agreements are governed by Portuguese law.

Michael Jackson

7.10.4 Pursuant to the terms of a letter of appointment with the Company dated 22 June 2021, Michael Jackson has agreed to serve as Non-Executive Director for an annual fee of £50,000. This appointment is terminable by either party on not less than three written notice but will terminate automatically if Mr Jackson is removed from office by a resolution of the Shareholders or is not re-elected to office.

Bob Frosell

7.10.5 Pursuant to the terms of a letter of appointment with the Company dated 21 June 2021, Bob Frosell has agreed to serve as Non-Executive Director for an annual fee of £25,000. This appointment is for a three year term but will terminate automatically if Mr Frosell is removed from office by a resolution of the Shareholders or is not re-elected to office.

Justin King

7.10.6 Pursuant to the terms of a letter of appointment with the Company dated 21 June 2021, Justin King has agreed to serve as a Non-Executive Director for no annual fee commencing from the date of Admission. This appointment is terminable by either party on not less than three month's written notice but will terminate automatically if Mr King is removed from office by a resolution of the Shareholders or is not re-elected to office.

7.10.7 On 19 April 2021 the Company entered into a consultancy agreement with Harbury House Limited (as amended on 22 June 2021) whereby Harbury House Limited provided the services of Justin King to the Company from 27 August 2020 for £25,000 per annum from Admission.

Lee Williams

7.10.8 Pursuant to the terms of a letter of appointment with the Company dated 21 June 2021, Lee Williams has agreed to serve as Non-Executive Director for an annual fee of £30,000 commencing from the date of Admission. This appointment is terminable by either party on not less than three month's written notice but will terminate automatically if Mr Williams is removed from office by a resolution of the Shareholders or is not re-elected to office.

Frank Lewis

7.10.9 Pursuant to the terms of a letter of appointment with the Company dated 21 June 2021, Frank Lewis has agreed to serve as Non-Executive Director for an annual fee of £25,000 commencing from the date of Admission. This appointment is terminable by either party on not less than three month's written notice but will terminate automatically if Mr Lewis is removed from office by a resolution of the Shareholders or is not re-elected to office.

Save as disclosed in paragraphs 7.10.1 to 7.10.9 above, there are no service agreements in existence between any of the Directors and the Company or any of its subsidiaries providing for benefits upon termination of employment.

8. SHARE OPTIONS AND INCENTIVES

8.1. The Company has an historic Share Option Scheme in place, under which employees based in the UK benefit from tax advantages under the Enterprise Management Incentives regime. In addition, options to subscribe for shares have been granted to Harbury House Limited, a company controlled by Justin King, under a stand-alone agreement. At the date of this document the following options granted to Directors and employees of the Group are outstanding:

Options granted under the Share Option Scheme

Date of grant	Option holder	Number of ordinary shares subject to the option	Exercise period is from date of grant to:	Exercise Price (per share)
4/04/2015	H Gomes*	40,000	13/04/2025	£0.08
14/04/2015	S Martins*	30,000	13/04/2025	£0.08
14/04/2015	M Martins*	10,000	13/04/2025	£0.08
14/04/2015	V Nina*	10,000	13/04/2025	£0.08
14/04/2015	P Guerra*	30,000	13/04/2025	£0.08
14/04/2015	A Ferreira*	10,000	13/04/2025	£0.08
14/04/2015	L Freitas*	10,000	13/04/2025	£0.08
14/04/2015	M Gomes*	10,000	13/04/2025	£0.08
10/04/2017	I Hayes	600,000	09/04/2027	£0.15
10/04/2017	Robson	25,000	09/04/2027	£0.15
10/04/2017	S Ribeiro*	600,000	09/04/2027	£0.15
10/04/2017	A Athar	1,200,000	09/04/2027	£0.15
10/04/2017	H Gomes*	120,000	09/04/2027	£0.15
10/04/2017	A Hussain	70,000	09/04/2027	£0.15
31/03/2020	S Ribeiro*	400,000	31/03/2030	£0.70

Stand-alone agreement

19/04/2021	Harbury House Limited**	723,589	See paragraph 8.10 in Part V	£0.691
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*Denotes options granted to employees that do not qualify for tax advantages under the Enterprise Management Incentives regime due to being employed overseas (Portugal)

**A company controlled by Justin King. Options held by Harbury House Limited over 231,548 Ordinary Shares will be exercised on Admission.

Therefore, excluding the 231,548 options exercisable at Admission, the Company has options over 11.7% of the issued share capital at Admission.

8.2 Rules of the Enterprise Management Incentives Share Option Plan

Options (rights to acquire shares in the Company) are granted to 'Eligible Employees' which includes an employee or director of any member of the Company's group who works for not less than 25 hours per week, or works for the Company, or any qualifying subsidiary (as defined in schedule 5 to the Income Tax (Earnings and Pensions) Act 2003), for 75 per cent. of his time spent on remunerative work as an employee or self-employed person.

The grant of an option will not form part of remuneration or benefits pursuant to the contract of employment of the option holder, and the directors shall have absolute discretion as to the selection of whom should be granted an option by the Company.

8.3 Exercise of Options

The options are non-transferable. An option may not be exercised later than the tenth anniversary of the date on which the option was granted, except by the director's discretion. An option may not be exercised earlier than such earlier or later time as is specified in the option certificate.

8.4 Lapse of Options

If an option holder ceases to be employed or hold office with any member of the Company's group, the option shall lapse and cease to be exercisable, subject to director's discretion. If an option holder gives or receives notice to terminate the office or employment in respect of which he was granted an option, the options shall lapse and cease to be exercisable immediately.

8.5 Disqualifying Events

If one of the following events occurs before the date specified in the option certificate, the employee shall, at the directors' discretion, be allowed to exercise all outstanding option immediately:

- the Company becoming a 51 per cent. subsidiary of another company, or coming under the control of another company;
- the Company ceasing to conduct a 'qualifying' trade (as defined by schedule 5 to the Income Tax (Earnings and Pensions) Act 2003);

- the employee ceasing to be eligible;
- variation of the terms of the option to increase the value of the shares, or the option ceasing to be a qualifying option for any other reason;
- an alteration to the share capital of the Company, affecting the value of the shares under option, where the purpose was to increase the value;
- a conversion of any of the shares under option into a different class of shares;
- the grant of an option under a share option plan, approved as a Company Share Option Plan, if the option holder were to hold unexercised options in respect of shares with a total value of more than £250,000.
- If the option is exercised within 90 days of one of the events described at 9.7 happening, the tax advantages will be preserved.

8.6 **Individual Limits on the Granting of Options**

The number of shares in respect of which an option is granted shall be limited so that the aggregate market value of the shares which may be acquired upon the grant of the option shall not exceed or further exceed £250,000.00, when added to:

- The aggregate value of shares in respect of which options have previously been granted; and
- the aggregate value of shares in respect of which rights to acquire such shares have been obtained by that eligible employee under any other share option plan approved under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 which has been established by the Company or by any Associated Company (which has the meaning given in section 449 CTA 2010) (and have not then been exercised nor ceased to be exercisable).

8.7 **Demerger, Reconstruction or Winding-up**

If notice is given to shareholders of a proposed demerger of the Company, the directors shall give notice that the options may be exercised in respect of all shares over which they subsist within such period, not exceeding 30 days, as the directors may specify in the notice. No such notice will be given unless the auditors confirm in writing that the interests of the option holders may be substantially prejudiced if the option could not be exercised prior to the demerger.

If the court sanctions a statutory reconstruction pursuant to sections 895-896 of the Act, the options can be exercised during the period of six months commencing on the date on which the court sanctions the compromise or arrangement. Thereafter the option will lapse and cease to be exercisable.

If notice is given to shareholders of a resolution for the voluntary winding-up of the Company, the option may be exercised at any time before the winding-up commences. Thereafter the option will lapse and cease to be exercisable.

On the commencement of a winding-up, save for a voluntary winding-up, all options shall immediately lapse and cease to be exercisable.

8.8 **Take-over**

Under the scheme, a take-over or merger is a disqualifying event, as set out at paragraph 8.7 above, unless the acquiring company grants a replacement option in exchange within six months and the acquiring company has to acquire the share of dissenting shareholders, or either obtains control of the Company by making a general offer, or as a result of a compromise or arrangement sanctioned by the court, or obtains all the shares of the Company so that it effectively takes the place of the Company.

8.9 **Alteration of Plan**

The directors may at any time alter the provisions of the scheme in any respect. They must give notice to the option holders affected by any alteration as soon as reasonably practicable.

8.10. **New option scheme for Harbury House Limited (a company of which Justin King is a 75+ per cent. Person with Significant Control):**

The Company has granted to Harbury House Limited the right to acquire up to 723,589 Ordinary Shares at the price of 69.1 pence per share. The option may not be exercised unless the following exercise conditions are met and the option is only exercised during a period as the directors may specify from time to time (**Exercise Period**):

- 231,548 options upon Admission;
- 260,492 options upon the later of (a) 12 months following Admission and (b) Harbury House Limited:
- introducing two customers to the Company and its subsidiaries which have real opportunities for taking the Group's platform; or
- working with private equity on helping the Group close a deal supporting their acquisitions;
- 231,549 options upon the later of (a) 18 months following Admission and (b) Harbury House Limited:
 - o participating in two events to prospects or customers;
 - o supporting the Group's PR and marketing activities; and
 - o supporting the development of strategic initiatives to be agreed with the board of directors.

If the option is exercised, it must be exercised over at least 50,000 Ordinary Shares.

The option will lapse on the earliest of the following:

- tenth anniversary of the date of the option agreement;
- at the end of the seven day period after the grant date, if Harbury House Limited has not correctly completed, signed and dated the option agreement;
- any attempted transfer, or assign or the creation of a security interest over the option;
- 12 months after Justin King's death;
- when the board of directors decides that one of the exercise conditions has become wholly or partly incapable of being met;
- except where, on a change of control of the Company, the option may be exchanged for a replacement option, at the end of the 90 day period after a change of control has occurred;
- if Harbury House Limited ceases to be a consultant before the exercise conditions set out above are satisfied for any reason other than Justin King's death, or is summarily terminated on or after this date, and the board of directors permits it to exercise the option, the end of the next Exercise Period;
- if Justin King dies, or if Harbury House Limited gives or receives notice of termination of the consultancy, and the board decides not to permit Harbury House Limited to exercise all or any part of the option during the next Exercise Period, 90 days after Harbury House Limited ceases to be a consultant;
- if there is a takeover or liquidation, in the time periods specified in the option agreement; or
- if Justin King becomes bankrupt under Part IX of the Insolvency Act 1986, apply for an interim order under Part VIII of the Insolvency Act 1986, propose or make a voluntary arrangement under Part VIII of the Insolvency Act 1986, take similar steps, or are similarly affected, under laws of any jurisdiction that correspond to those provisions of the Insolvency Act 1986.

Part of an option shall lapse where Harbury House Limited ceases to be a consultant before the exercise conditions set out above are satisfied, for any reason other than Justin King's

death, or is summarily terminated on or after this date and the board of directors has determined that the option may be exercised, but only in part.

8.11 **Proposal for dealing with outstanding options:**

Save for the exercise of options over 231,548 Ordinary Shares by Harbury House Limited, the options set out in paragraph 8.1 above will remain outstanding and exercisable following Admission.

9. MATERIAL CONTRACTS

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

9.1 **Placing Agreement**

A placing agreement dated 21 June 2021 and made between (1) the Company (2) the Directors. Options held by Harbury House Limited over 231,548 Ordinary Shares will be exercised on Admission. and (3) WH Ireland pursuant to which WH Ireland has agreed, subject to certain conditions, to act as agent for the Company and to use its reasonable endeavours to procure places to subscribe for the New Ordinary Shares at the Placing Price. WH Ireland is entitled to a corporate finance fee of £200,000 conditional on Admission and to a commission of 5 per cent. of the gross amount raised under the Placing.

The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 28 June 2021 (or such later date as the Company and WH Ireland may agree, being not later than 8.00 a.m. on 30 July 2021). The Placing Agreement contains warranties from the Company and the Directors in favour of WH Ireland in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business.

In addition, the Company has agreed to indemnify WH Ireland in respect of certain liabilities it may incur in respect of the Placing. WH Ireland has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, if any of the warranties contained herein have been breached in any material respect, or the Company or any of the Directors fails to comply with any material obligation under the agreement or otherwise relating to the Placing, the application for Admission or Admission.

9.2 **Lock-in and orderly market agreements**

Various independent lock-in and orderly market agreements made between (1) the Company (2) WH Ireland and (3) the Locked-in Parties (each a “**Covenantor**”) pursuant to which each Covenantor has undertaken to the Company and WH Ireland (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company or otherwise with the prior consent of WH Ireland) that the Ordinary Shares held by them and their associates on Admission representing 70.2 per cent in aggregate of the Enlarged Share Capital, or subsequently acquired by them during the Lock-in Period (or any interest in them or in respect of them) (the “**Restricted Shares**”) shall not be disposed of at any time during the six month period from Admission (the “**Lock-in Period**”) without the prior written consent of WH Ireland.

Furthermore, each of the Covenantors has also undertaken to the Company and WH Ireland not to dispose of their Restricted Shares for the period of 6 months following the expiry of the Lock-in Period, subject to limited exceptions, otherwise than through WH Ireland or the Company's broker at the relevant time.

9.3 **Nomad and Broker Agreement**

A nominated adviser and broker agreement (the “**Nomad Agreement**”) dated 21 June 2021 and made between (1) the Company (2) the Directors and (3) WH Ireland pursuant to which the Company has appointed WH Ireland to act as nominated adviser and broker to the

Company for the purposes of the AIM Rules for Companies. The Nomad Agreement contains certain undertakings, warranties and indemnities given by the Company and the Directors to WH Ireland. The Nomad Agreement is for a fixed term of 12 months and thereafter is terminable upon not less than six months' prior written notice by either the Company or WH Ireland.

9.4 **Relationship Agreement**

An agreement dated 21 June 2021 and made between (1) Ali Athar, (2) Nazam Limited, (3) the Company and (4) WH Ireland, under which Ali Athar and Nazam Limited, in their capacity as substantial shareholders, have given various undertakings to the Company and WH Ireland regarding the relationship between each of them and their associates and the Company, including with regard to the exercise of voting rights over Ordinary Shares, so as to put in place measures to regulate that relationship and deliver effective independence for the Company, in accordance with the AIM Rules for Companies. The agreement contains certain undertakings as to confidential information. The obligations under the agreement cease to apply when less than 20 per cent in aggregate of the issued Ordinary Shares from time to time are held by Ali Athar, Nazam Limited and their associates.

9.5 **Share Purchase Agreement for the Acquisition of EDI Plus Limited**

The Company entered into a Share Purchase Agreement (**SPA**) to purchase the entire issued share capital of EDI Plus Limited from Lighthouse Technologies Limited on 18 November 2020. Under the SPA, EDI Plus Limited loaned £300,000 to the Company to assist in financing the purchase. This amount remains outstanding as of the date of this document as an intra-group loan. Separately, the SPA (as amended) provides that the Company shall pay to Lighthouse Technology Limited the following sums as consideration:

Payment Date	Amount (£)
Completion	100,00.00
No later than 31 December 2021	440,000.00
No later than 31 December 2022	440,000.00
No later than 31 December 2023	440,000.00
No later than 31 December 2024	440,000.00
No later than 31 December 2025	440,000.00

In addition to the £100,000 paid on Completion, a further £100,000 of the consideration has since been paid, leaving a total of £2.1 million outstanding.

The SPA contains a typical set of warranties given by EDI Plus Limited, including title and capacity warranties; financial warranties including solvency, borrowings and guarantees; contracts; intellectual property and information technology, employment and pensions; litigation and compliance with laws; tax and insurance. The warranties are standard for the nature of the transaction.

9.6 **Majestic Wine Warehouses Limited (Majestic)**

Under an agreement dated 21 May 2020, itim Limited has agreed to supply Majestic with a licence to use the Company's software, support services, hosting services and consulting services in accordance with the terms of the agreement, for a 3 year term, with such services to be requested via an 'order'. The company will raise invoices to Majestic for the fees incurred in rendering the services. This agreement is based on the Company's standard Licence and Service Agreement contract for customers.

The Company have confirmed that Majestic is the only customer contract that is responsible for 10 per cent. or more of total sales, in respect of one-off consultancy and implementation fees and a recurring subscription charge for services and is therefore the only material customer contract.

Under the agreement, itim Limited gives certain warranties to Majestic, including that all services will be supplied and rendered by appropriately experienced, qualified and trained personnel, that the systems provided will be compliant with applicable law, and that the company has the right to licence the software systems to Majestic. Under this agreement, itim Limited retains the ownership of all intellectual property in the services and software.

Under the agreement, itim Limited accepts unlimited liability for death or personal injury caused by negligence, and in respect of fraud committed by it and in respect of any other liability which cannot be limited or excluded as a matter of law.

The agreement may be terminated by either party on 12 months' written notice, not to be served within the initial 3 year term, unless there has been a material breach of the agreement by either party and it has not been remedied within 60 days, or if either party becomes insolvent, in which case the agreement may be terminated with immediate effect.

9.7 **Loan Agreements**

Loan Agreement entered into in February 2004 (as amended)

Made between (1) Robert Frosell (on behalf of Susan Frosell) (2) the Company and others, under which Susan Frosell loaned £500,000.00 to the Company. The loan was originally repayable no later than 31 December 2007 but was not repaid in full by that date and accordingly the loan is repayable plus interest on demand. Interest is payable at 1.8 x (Bank of England REPO Rate + 0.39 per cent) plus an additional default rate of 3 per cent per annum. Since 1 January 2018 the amount of £150,000.00 has been repaid by the Company (on 14 March 2018) and £350,000.00 remains outstanding as at the date of this Document. The loan is secured by a debenture.

A comfort letter dated 6 June 2021 has been provided, stating that no capital repayments are expected to be received during the period of twelve months from the date of the comfort letter.

Under the terms of the loan agreement, the consent of Robert Frosell was required for certain significant matters, including the obtaining and repayment of loans by the Company; disposing of material assets or investments; acquiring other companies; making any distribution of profits; and carrying out the Placing and Admission. All relevant consents have been given by Robert Frosell. The terms of the loan agreement have been amended so that in future the consents required from Robert Frosell will be limited to certain dealings with assets by the Company and its entering into hire purchase or leasing agreements, other than in the normal course of business.

Loan agreement dated 11 August 2009

Made between (1) Susan Frosell and others, and (2) the Company, under which Susan Frosell and others loaned £350,000.00 to the Company, to be repaid in full no later than 30 June 2010. Default interest is payable on the overdue amount at the rate of 9% per annum. £100,000.00 remains outstanding as at the date of this Document with the agreement of the lender, the Downing Corporate Finance Limited Executive Pension Scheme (Downing) This loan is unsecured.

Since 1 January 2018, the amount of £100,000.00 has been repaid to A Zaman (on 14 September 2018) and £100,000.00 has been repaid to Susan Frosell (on 14 March 2018).

Downing has provided a comfort letter to the Company confirming that it does not expect to receive any capital repayments of the loan in the period to 31 December 2021. Nicholas Peter Lewis, Rowan Jane Lewis and Rowanmoor Trustees Limited are trustees for Downing and are also shareholders in the Company.

Loan dated 20 October 2006

Made between (1) James Hay Pension Trustees Limited, Nicholas Peter Lewis and Rowan Jane Lewis as trustees for the Downing Corporate Finance Limited Executive Pension Scheme (Downing) and (2) the Company, under which Downing loaned £500,000.00 to the Company. The loan was originally repayable no later than 19 October 2011 but was not repaid in full by that date and accordingly the loan is repayable plus interest on demand. Interest is payable at 3 per cent. above the average base lending rates of 6 high street banks. The loan is secured by a debenture. £450,000.00 remains outstanding as at the date of this Document.

Downing has provided a comfort letter to the Company confirming that it does not expect to receive any capital repayments of the loan in the period to 31 December 2021. Nicholas Peter Lewis and Rowan Jane Lewis are trustees for Downing and are also shareholders in the Company.

Under the terms of the loan agreement, the consent of Downing is required for certain dealings with assets by the Company and its entering into hire purchase or leasing agreements, other than in the normal course of business. All relevant consents have been given. Nicholas Peter Lewis, Rowan Jane Lewis and Rowanmoor Trustees Limited (which has replaced James Hay Pension Trustees Limited) are trustees for Downing and are also shareholders in the Company.

Loan dated 17 October 2006

Made between (1) Ali Athar and (2) the Company, under which Ali Athar loaned £70,000.00 to the Company, to be repaid no later than 16 October 2011, but the loan was not repaid in full by that date and accordingly the loan is repayable plus interest on demand. Interest is payable at 3 per cent. above the average base lending rates of 6 high street banks. The loan is unsecured. Further advances were made under this loan agreement and the amount of £300,000 has been repaid (in May 2021) and £120,000 remains outstanding. Ali Athar has provided a comfort letter to the Company confirming that he does not expect to receive any capital repayments of the loan in the period to 31 December 2021.

Under the terms of the loan agreement, the consent of Ali Athar is required for certain dealings with assets by the Company and its entering into hire purchase or leasing agreements, other than in the normal course of business. All relevant consents have been given.

CBILS Agreement dated 14 August 2020

EDI Plus received a Coronavirus Business Interruption Loan of £250,000 through Barclays plc for the purposes of managing working capital in August 2020. Interest is 3.39% per annum. The loan is repayable 60 months after the date of the first draw down on 22 October 2020 and is repayable in 48 instalments (except for standard events of default). The loan is secured by a debenture.

10. WORKING CAPITAL

In the opinion of the Directors having made due and careful enquiry, taking into account the net proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

11. LITIGATION

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 last 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company and/or the Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

12. SIGNIFICANT CHANGE

Except for the payment of £300,000 to Ali Athar, as described in paragraph 9.7, there has been no significant change in the financial or trading position of the Company or itim Limited since 31 December 2020, being the end of the period to which the latest audited consolidated accounts of the Company relate.

13. RELATED PARTY TRANSACTIONS

The following transactions are the only related party transactions which, as a single transaction or in their entirety, are or may be material (within the meaning of the AIM Rules for Companies) to the Group and have been entered into by a member of the Group during the periods for which historical financial information appears in this document and in respect of the period commencing on 1 January 2018 to the date of this document:

- 13.1 Lighthouse Technologies Limited is owned by Ali Athar's family interests and accordingly the transaction with Lighthouse Technologies Limited described above in paragraph 9.5 is a related party transaction.
- 13.2 An outstanding loan provided by Michael Jackson to the Company in April 2017, in the amount of £50,000 was repaid in full on 29 November 2019.
- 13.3 The loans described above in paragraph 9.7 (other than the Coronavirus Business Interruption Loan) were made by shareholders and/or directors of the Company and their connected

parties and accordingly the loans, advances under the loans and any repayments of such loans are related party transactions, those taking place since 1 January 2018 being described in those paragraphs.

14. THE CITY CODE ON TAKEOVERS AND MERGERS

14.1 Mandatory bid

The Company is subject to the Takeover Code. Under Rule 9 of the Takeover Code ("Rule 9"), except with the consent of the Takeover Panel, when:

14.1.1 any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company;

14.1.2 or any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, such person, and any person acting in concert with such person, must make a general offer to all the other shareholders (including the holders of any class of equity share capital whether voting or non-voting and the holders of any other class of transferable securities carrying voting rights) to acquire the balance of the shares not held by such person and its concert parties.

14.1.3 An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid within the preceding 12 months for any shares by the person required to make the offer or any person acting in concert with such person.

14.2 Concert Party

Under the Takeover Code, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest, or interests in, shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

In particular, people will be treated as having an interest in shares if:

- a) they own them;
- b) they have the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or have general control of them;
- c) by virtue of any agreement to purchase an option or derivative they:
- d) have the right or option to acquire them or call for their delivery; or
- e) are under an obligation to take delivery of them;
- f) whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- g) they are party to any derivative:
- h) whose value is determined by reference to its price; and
- i) which results, or may result, in their having a long position in it.

When a company undertakes an initial public offering all of its existing shareholders will be presumed to be acting in concert with each other for the purposes of the public offering unless the contrary is established. The Company has discussed these issues with the Takeover Panel and the Takeover Panel has agreed that the presumption that all of the shareholders are acting in concert may be rebutted and that the below Concert Party remain in place.

For the purposes of Rule 9 of the Takeover Code in connection with the Company, the following table sets out the holdings and interests of the Concert Party and their respective members (including connected persons) as at the date of this document and upon Admission:

Ali Athar Concert Party	Description	Percentage currently held	Percentage on Admission
Nazam Ltd.	Held for the benefit of the Namza Trust*	36.41	30.08
Rowanmoor Trustees (Designation:Limited 09/9071)	Ali Athar's pension fund	6.98	5.76
Ali Athar	CEO – personal holding	3.10	2.56
		46.48	38.40

* Of which Mahmood Ali Athar's wife, Ambreen Zaman, her children and remoter issues are the named beneficiaries.

On Admission, the Ali Athar Concert Party will be interested in more than 30 per cent. of the voting rights of the Group but less than 50 per cent. of the voting rights; therefore, with the exception of the options over Ordinary Shares (see paragraph 27 of Part I) neither the individual members of the Ali Athar Concert Party nor the Ali Athar Concert party itself will be able to increase their percentage shareholding through or between a Rule 9 threshold without the consent of the Panel.

14.3 Squeeze-out

Under the Act, if an offeror were to acquire 90 per cent. of the 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 will compulsorily acquire their Shares and then, six weeks later, it would execute a transfer of the outstanding Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

14.4 Sell-out

The Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer (as defined in section 974 of the Act). If a takeover offer related to all the Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Shares, any holder of Shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

15. CONSENTS

- 15.1 WH Ireland Limited of 24 Martin Lane, London EC4R 0DR is authorised and regulated in the United Kingdom by the FCA. WH Ireland has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.
- 15.2 RPG Crouch Chapman LLP, the reporting accountants, Chartered Accountants and registered auditors, of 5th Floor, 14-16 Dowgate Hill, London, EC4R 2SU. RPG Crouch Chapman LLP is a firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales have given and have not withdrawn its written consent to the issue of this document with the inclusion of their name and their report in Part III of this document and the references to such report and their name, in the form and context in which they appear and have authorised the contents of that report for the purpose of Schedule Two of the AIM Rules for Companies.

16. GENERAL

- 16.1 The net proceeds of the Placing are expected to be approximately £6.9 million net of expenses of the Placing which are estimated at approximately £1.1 million, including VAT, and are payable by the Company.

- 16.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- a) fees totalling £10,000 or more;
 - b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - c) any other benefit with a value of £10,000 or more at the date of Admission.
- 16.3 The Placing will result in the allotment and issue of 5,194,806 Ordinary Shares and a further 231,548 Ordinary shares will be issued to Justin King on Admission pursuant to the JK Option (Tranche 1), diluting existing holders by 17.4 per cent.
- 16.4 As at the date of this document the auditors of itim is RPG Crouch Chapman LLP, a member of the Institute of Chartered Accountants in England and Wales, which has audited the statutory account of itim for the period ended 31 December 2018, 31 December 2019 and 31 December 2020.
- 16.5 For the avoidance of doubt and pursuant to paragraph 16.4 above the historical financial information contained in Part III, section B of this document has been audited.
- 16.6 The accounting reference date of the Company is 31 December.
- 16.7 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 16.8 Save as disclosed in this document, the Directors are unaware of any exceptional factors, which have influenced the Company's activities.
- 16.9 Save as disclosed in this document, the Directors are unaware of (i) any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year or (ii) any significant trends in production, sales and inventory and costs and selling prices.
- 16.10 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments, which are significant to the Group.
- 16.11 The Ordinary Shares are not currently admitted to dealings on a recognised investment exchange and, other than the Company's application for Admission, no applications for such admission have been made.
- 16.12 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 16.13 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this document. The Company is not aware of any arrangement, the operation of which may at a subsequent date result in a change in control of the Company.
- 16.14 Save as disclosed in this document, the Company is not dependent on any patents, licences, industrial or commercial contracts or new manufacturing processes which have a material effect on the Company's business or profitability.
- 16.15 No financial information contained in this document is intended by the Company to represent or constitute a forecast of profits by the Company.
- 16.16 With regards to the total revenues for the period covered by the historical financial information all revenues are categorised as licences, maintenance, subscription and services and other income and the geographic market is the United Kingdom, Europe and the Rest of the World.
- 16.17 The ISIN for the Ordinary Shares is GB00BMD2H500 and the SEDOL is BMD2H50.
- 16.18 Pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules a person must notify the Company of the percentage of its voting rights they hold as shareholder or through

their direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights (i) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or (ii) reaches, exceeds or falls below an applicable threshold in (i) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure Guidance and Transparency Rules. Certain voting rights held by investment managers, unit trusts, open ended investment companies and market makers can be disregarded except at the thresholds of 5 per cent. and 10 per cent. and above.

16.19 The Directors estimate that immediately following Admission 70.2 per cent. of the Enlarged Share Capital will not be in public hands, namely those holdings of Ordinary Shares in excess of 10 per cent of the Enlarged Share Capital described in paragraph 6.1 of this Part V and those Ordinary Shares in which the Directors and their connected parties are interested as described in paragraph 7.9 of this Part V.

17. AVAILABILITY OF THIS DOCUMENT

Copies of this document are available free of charge at the offices of WH Ireland Limited at 24 Martin Lane, London EC4R 0DR, UK, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission. A copy of this document will be available for inspection free of charge on the Company's website at www.itim.com.

21 June 2021

