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This document comprises an admission document drawn up in compliance with the requirements of the AQSE Growth Market Access Rulebook, December 2020 and is being issued in connection with the proposed admission of the Ordinary Shares to trading on the Access segment of the AQSE Growth Market (the "**AQSE Growth Market**").

This document does not constitute, and the Company is not making an offer to the public within the meaning of sections 85 and 102B of FSMA. Therefore, this document is not an approved prospectus for the purposes of, and as defined in section 85 of FSMA and has not been prepared in accordance with the Prospectus Regulation Rules and its contents have not been approved by the Financial Conduct Authority (the "**FCA**") or any other authority which could be a competent authority for the purposes of the Prospectus Regulation. Further, the contents of this document have not been approved by an authorised person for the purposes of section 21 of FSMA. This document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the UK or elsewhere.

THE WHOLE OF THIS TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The Directors, whose names appear on page 6 of this document, and the Company itself, accept responsibility for the information contained in this document including the Company's compliance with the AQSE Rules. To the best of the knowledge of the Directors and of the Company, the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect its import.

The share capital of the Company is not presently listed or dealt in on any stock exchange. Application has been made for the Ordinary Shares to be traded on the Access segment of the AQSE Growth Market. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the AQSE Growth Market on 26 April 2021.



SEMPER FORTIS ESPORTS PLC

(incorporated in England and Wales under the Companies Act 2006 with registered number 12403380)

**Placing of 45,900,000 new Ordinary Shares of £0.0001 each and Subscription for 209,600,000 new Ordinary Shares
at an Issue Price of 1 pence per Ordinary Share
Admission to trading on the Access segment of the AQSE Growth Market**

AQSE Corporate Adviser and AQSE Broker

Hybridan LLP

HYBRIDAN
YOUR PARTNER FOR GROWTH

The Access segment of the AQSE Growth Market, which is operated by Aquis Stock Exchange Limited ("**Aquis Stock Exchange**"), a recognised investment exchange under Part XVIII of FSMA, 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. It is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, and AQSE Growth Market securities are not admitted to the Official List of the FCA. Investment in an unlisted company is speculative and tends to involve a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in AQSE Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA if you are in the UK or, if not, another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

Hybridan LLP ("**Hybridan**") is authorised and regulated in the United Kingdom by the FCA and is acting as the Company's broker and AQSE Corporate Adviser for the purposes of Admission. Hybridan will not be acting for any other person (including a recipient of this document) in connection with the Issue, Admission and the contents of this document. Hybridan will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Issue, Admission

and the contents of this document or any matters referred to herein. Hybridan has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document, or for the omission of any material information, for which the Directors are solely responsible. Hybridan does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Issue Shares, the Issue or Admission. Hybridan accordingly disclaims all and any liability whether arising in tort, contract or otherwise in respect of this document or any such statement. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Hybridan may have under FSMA or the regulatory regime established thereunder.

The Company is required by the Aquis Stock Exchange to appoint an AQSE Corporate Adviser to apply on its behalf for admission to the AQSE Growth Market and must retain an AQSE Corporate Adviser at all times. The requirements for an AQSE Corporate Adviser are set out in the AQSE Corporate Adviser Handbook, and the AQSE Corporate Adviser is required to make a declaration to the Aquis Stock Exchange in the form prescribed by Appendix B to the AQSE Corporate Adviser Handbook.

This admission document has not been approved or reviewed by the Aquis Stock Exchange or the FCA.

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

A copy of this document is available free of charge from the Company's website at www.semperfortisesports.com.

Notice to U.S. and other overseas investors

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Japan, New Zealand or the Republic of South Africa and may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Japan, New Zealand or the Republic of South Africa. Neither this document, nor any copy of it, may be sent to or taken into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa nor may it be distributed to any US person (within the meaning of Regulation S under the Securities Act).

The distribution of this document and any offer of Ordinary Shares pursuant to the Issue may be restricted by law in certain jurisdictions. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this document (or any other offering or publicity material relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this document nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. None of the Company, Hybridan or any of their respective affiliates or advisers accepts any legal responsibility to any person, whether or not such person is a potential investor, in respect of any such restrictions.

No person is authorised in connection with the Issue to give any information or to make any representation other than as contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company or Hybridan.

The contents of this document are not to be construed as legal, business or tax advice. If you are in any doubt about the contents of this document, you should immediately consult a person authorised for the purposes of FSMA who specialises in advising on the acquisition of shares and other securities.

Forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this document entitled "Risk Factors" which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy. Prospective investors should be aware that these statements are estimates, reflecting only the judgement of the Company's management and prospective investors should not therefore rely on any forward-looking statements.

These forward-looking statements apply only as of the date of this document. None of the Company, the Directors or Hybridan undertakes an obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Third party information

Market, economic and industry data used throughout this document is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of the Company's website

The contents of the Company's website do not form part of this document. Investors should base their decision to invest on the contents of this document alone and should consult their professional advisers prior to making an application to subscribe for Ordinary Shares.

Currency presentation

Unless otherwise indicated, all references in this document to "Sterling", "£", or "pence" are to the lawful currency of the UK.

This document is dated 23 April 2021.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	23 April 2021
Expected Admission and commencement of dealings in the Ordinary Shares on the AQSE Growth Market	26 April 2021
CREST accounts credited in respect of the Ordinary Shares (where applicable)	As soon as reasonably practicable on 26 April 2021
Dispatch of definitive share certificates (where applicable)	Within 10 Business Days of Admission

Each of the times and dates in the above timetable is subject to change. All times are London times unless stated otherwise.

ISSUE AND ADMISSION STATISTICS

Number of Ordinary Shares in the Placing	45,900,000
Number of Ordinary Shares in the Subscription	209,600,000
Number of Ordinary Shares in issue following the Issue and Admission ¹	415,499,800
Issue Price (per Ordinary Share)	1 pence
Number of Ordinary Shares in issue prior to the Issue	159,999,800
Estimated gross proceeds of the Issue	Approximately £2,555,000
Estimated Net Proceeds of the Issue receivable by the Company	Approximately £2,053,000
Number of Ordinary Shares in the Subscription as a percentage of the enlarged issued Ordinary Share capital of the Company immediately following the Issue and Admission	50 per cent.
Number of Ordinary Shares in the Placing as a percentage of the enlarged issued Ordinary Share capital of the Company immediately following the Issue and Admission	11 per cent.
Number of Ordinary Shares under warrant at Admission	57,500,000
Expected market capitalisation on Admission	£4,155,000
Expected free float on Admission	Approximately 40 per cent.
ISIN of the Ordinary Shares	GB00BLF80W74
SEDOL of the Ordinary Shares	BLF80W7
AQSE Growth Market Ticker	SEMP
LEI	2138003B288DJIG8LQ90

¹ 159,999,800 Ordinary Shares in aggregate have previously been subscribed for by the Initial Subscribers outside the Issue.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Keith Harris (<i>Chairman</i>) Kevin Soltani (<i>Chief Executive Officer</i>) Max Deeley (<i>Finance Director</i>) Jassem Osseiran (<i>Chief Operating Officer</i>) Nolan Bushnell (<i>Non-executive Director</i>)
Company Secretary	Max Deeley
Registered office	1-3 Charter Square Sheffield S1 4HS
Broker and AQSE Corporate Adviser	Hybridan LLP 2 Jardine House The Harrovian Business Village Bessborough Road Harrow Middlesex HA1 3EX
Reporting Accountants	Adler Shine LLP Aston House Cornwall Avenue London N3 1LF
Auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Legal advisers to the Company	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Registrars	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL
Escrow Agent	Welbeck Associates Limited 3rd Floor 80 Cheapside London EC2V 6EE

PART 1 - INFORMATION ON THE COMPANY

1 INTRODUCTION AND COMPANY OBJECTIVE

The Company was incorporated on 14 January 2020 in accordance with the laws of England and Wales as a private limited company. The Company was re-registered as a public limited company on 4 November 2020.

Following Admission, the Company's activities will initially be concentrated in the UK. The Directors anticipate that the initial focus of the Company will be on: (1) establishing esports teams and engaging with esports professionals, (2) forming partnerships with brands (for sponsorship) and well-known personalities (for online campaigns and content) and strategic technology partners for research into and development of tech products and (3) business to business consultancy and advisory services.

Following a successful implementation of the business strategy in the period following Admission, the Company may seek to find suitable premises in London from which the Company can operate. However, in the initial period following Admission, Max Deeley will be based in London, Kevin Soltani will be based in the United States in California and Jassem Osseiran in Dubai. During 2021, Kevin Soltani and Jassem Osseiran intend to apply for working visas to allow them to work (at least some of the time) in London.

The Company's objective is to provide its shareholders with long-term capital appreciation through the growth and development of esports, gaming and entertainment businesses.

BACKGROUND TO THE ESPORTS INDUSTRY

Esports can be broadly defined as a form of online competitive sporting events based typically around player vs player competition video games. There are a multitude of esports video game genres today, including multiplayer online battle arena, first-person shooter, strategy, fighting, collectable card game, battle royale, sports and racing. The esports ecosystem develops and regulates competitions between players of these video games which attract a fan-base and audience for such competitions.

The immediate esports ecosystem is typically comprised of the players and support crew that make up the esports teams and the teams that then make up esports leagues, the fans and consumers, video game publishers, event and venue operators, broadcasters and distributors and sometimes video gaming personalities or celebrities. Beyond the immediate esports ecosystem, others involved in the growth and development of this industry include: (1) the sponsors (whether of individual players, teams, leagues or events) who include (but are not limited to) individual investors, investment companies or other businesses; and (2) other entities that might benefit from being involved with esports, such as charities, schools or other educational programmes and the people and communities they serve.

Esports is flexible enough to appeal generally to a wide audience, but its core global demographic to date has typically consisted of males and females (with more males than females) aged between 21 to 35.¹ Global clusters of popularity with esports have so far been concentrated in the United States, Asia and parts of Europe, such as Germany.

The growth of esports

Key global revenue streams in the esports industry in 2020 were primarily from sponsorship, followed by media rights, game publisher fees and tickets and merchandising. The monetisation of esports entertainment is based on the traditional revenue generation model for entertainment and traditional sports businesses, most of which will generally involve ticket sales, merchandising and in some cases sponsorship revenues. The esports ecosystem is capable of then building upon that traditional revenue model by directly monetising the audience.

In the UK, the combination of the popularity of video games and football club brands has placed professional football clubs in line to be leaders in terms of initial investment in the esports sector. For example:

- Manchester City Football Club has joined forces with North American esports organisation FaZe Clan to host a Fortnite tournament. The FaZe City Cup features some of FaZe Clan's Fortnite roster and content creators, alongside Manchester City midfielder, Kevin Du Bruyne; and
- Wolverhampton Wanderers has an esports organisation, Wolves Esports, which is competing in Season X of the Rocket League Champion Series. Wolverhampton Wanderers has become the first English Premier League team to back a team entering the Rocket League Championship Series. Wolves

¹ Global Esports Market Report, Newzoo: 2019

Esports has teams that compete in various esports titles including PUBG, Identity V, FIFA 21, FIFA Online 4, Pop Kart Racing, as well as Rocket League.

UK universities have also started to create and develop university esports leagues in which university teams play against each other, and other school and after school programmes and charities have shown interest in being involved in similar set-ups as a good way to introduce and experiment with technology as a learning platform for younger audiences. In addition, corporate investments in the esports ecosystem have consisted of acquisitions of gaming platforms or companies that coordinate esports events.

How do esports leagues work?

Esports leagues are informally segmented into a fluid tier system, into which each esports game has a position. Depending on the game, there will be different barriers to entry, amounts of capital required for joining and average audience sizes. Esports tiers are determined on various characteristics, common ones include, the number of tournaments, hours watched, viewership, active players and winnings.

Games in Tier 1 are usually the most expensive in which esports organisations can participate, acting as a significant barrier to entry. Franchise bids for League of Legends can cost at least US\$10 million, for example. Tier 1 esports teams often have gaming houses with staff (such as a chef, sports psychologist and multiple coaches etc.) which means that esports organisations without well-developed infrastructures and large capital allocations are prevented from owning teams and competing. Tier 1 games typically have the most valuable prize pools.

Some Tier 2 games have a lower buy in value for esports organisations with the costs associated with buying and running a team and competition entry being lower. Leagues for Tier 2 games often operate at a regional level and because they can cost less to enter, have lower barriers to entry for esports teams looking to compete in them. Esports teams competing in Tier 2 games tend to pay their players lower salaries, with less commitment in terms of length of player contracts and also have fewer sponsorship opportunities than Tier 1 games. Gaming houses and full staff are also typically not required. However, Tier 2 games are very popular, drawing significant audiences (depending on the game) and many games are currently free to play. Generally, Tier 2 games have a lower level of game play difficulty than Tier 1 and individual esports players can play some of them without being part of a team.

Tier 3 games have few, if any barriers to entry and generally are popular free to play games. Tournaments offer smaller prize pools than Tier 1 and Tier 2 and physical events might be held at local venues such as universities, game play centres, internet cafes and pop up esports venues. Tournaments are generally harder to organise due to lower audience numbers. However, many of the games in Tier 3 are very popular among esports fans and have been around for many years.

The Company's esports team, Top Blokes, plays in Rocket League Championship Series X, a Tier 2 game which is free to enter, and which the Directors believe offers an attractive balance of high audience engagement set against reasonable participation costs.

The positive impact of esports and gaming on young people

There are some negative perceptions surrounding esports and gaming that suggest them to be unhealthy activities. While it is true that excessive amounts of gaming can cause a deterioration in a player's physical and mental health, there are also a number of positives that can come out of gaming, when it forms part of a balanced lifestyle.

With esports becoming increasingly professional, the benefits of gaming are gaining in prominence. Along with monetary reward systems associated with streaming and competitive gaming, players benefit from some of the same cognitive and social benefits as athletes competing in traditional sports. Benefits include: developing teamwork skills, improved communication skills, developing strategy, sportsmanship and improved cognitive abilities such as hand-eye coordination, visual processing, problem solving and self-confidence. It has been established that playing video games can enhance cognitive abilities and technology related skills thereby providing certain advantages to college graduates seeking employment opportunities across a wide spectrum of careers including medical, engineering, aviation, remote flying and computer sciences.

The Company is committed to ensuring that specific procedures are in place to protect the wellbeing of its young players. It has already taken such steps in relation to its contract with Archie Pickthall (a member of the Company's esports team, Top Blokes) by establishing clear communication channels with his guardians and with the local authority in which he lives and ensuring his contractual commitments are appropriate for a 16 year old.

Certain games in particular can help young people develop skills. For example, Minecraft requires practice

for players to design, plan and build a map, city or fantasy world, certain skills of which can be attributed to architecture and engineering in the real world. Strategy games like Hearthstone are skills based, have a high barrier to entry due to the difficult level of game play involved and are similar to chess as players are required to use strategy and think ahead in order to be successful.

Impact of COVID-19 on the esports industry

The impact of the COVID-19 pandemic has caused disruption to the global economy on an unprecedented scale. However, some opportunities in the esports industry, which has a predominantly digital presence, have arisen due to populations throughout the world being in lock-down. User engagement with video games and esports has increased and revenues for many gaming companies and platforms have grown during the pandemic. Notable examples include:

- Asian gaming companies, Nintendo and Tencent, saw sales increase during the first quarter of 2020. Nintendo sold almost half of its games digitally, and its profits for the period have increased by 41 per cent. compared to the same period in the previous year,² while Tencent's year-on-year online games' revenue increased by 31 per cent. during Q1 2020;³
- online platforms like Twitch and YouTube Gaming, also experienced a surge in growth, with a 10 to 12 per cent. increase in viewership for Twitch and an approximately 15 per cent. increase for YouTube. Facebook Gaming experienced a 238 per cent. growth in hours watched in April 2020 compared to the previous year;⁴
- activity on the online gaming platform Steam, increased in March 2020 when many countries were first in lock-down, with more than 23 million people playing at peak times⁵. Microsoft's Xbox and Mixer services also recorded record numbers of users; and
- in March 2020, the World Health Organization launched the 'Play Apart Together' campaign, supporting the use of video games as a safe social activity to connect people during the pandemic.

As well as the opportunities, there have also been some setbacks in the esports and gaming industry with some planned stadium events being cancelled or re-invented as online events. In addition, a number of new esports titles have had their publication dates postponed. New production in the games market slowed during the first quarter of 2020.

2 BUSINESS STRATEGY AND THE BUSINESS

Background

In late 2019, the idea for a new esports organisation was conceived by bringing together a group of people with experience in: esports and game tech (Kevin Soltani and Jassem Osseiran), corporate finance (Max Deeley and Keith Harris), traditional sports (Keith Harris) and traditional gaming (Nolan Bushnell).

Initial areas of focus

The Directors have identified a number of different areas which, in the initial period following Admission, are likely to form the core areas of the business. These are:

- to establish or acquire competitive esports teams under a different game category;
- to enter into a joint venture with a high profile talent and celebrity (such as a well known professional football player) who will work with the Company to generate exposure for the Company's esports team and who will help attract sponsorship opportunities for the Company and its team;
- to use viewership power to attain sponsorship opportunities, preferably among a number of different brands. Viewership and engagement figures will be generated through online broadcasting of team activity, social media and in some cases, physical appearances of the team in competition;
- to create digital experiences and provide advisory services for brands and celebrities to provide exposure and to enable online engagement through gaming and esports initiations. The Company's goal in this respect is to create revenue through content reach, distribution of broadcasting rights and digital viewing; and
- to develop and distribute technology applications through strategic partnerships and products that

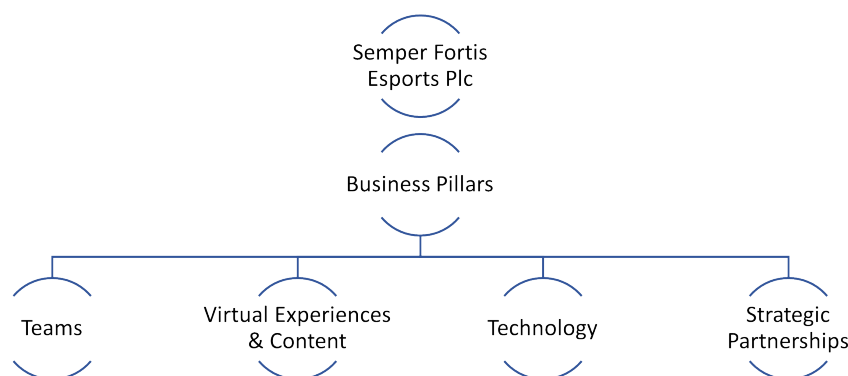
² Lewis, L. 'Nintendo collects lockdown power-up as sales shift online', *The Financial Times*: 7 May 2020

³ 'Tencent reports 31% increase in online games revenues, ends Q1 2020 on \$4.15 bn profit', *The Esports Observer*: 13 May 2020

⁴ 'What is the future for Esports after COVID-19', *Sports Pro Reports*: 15 April 2020

⁵ 'Steam Daily Use Graphs' produced by Steam

complement the esports industry.



Intended future structure of the business showing the ecology of the esports industry.

Top Blokes - the Company's esports team

On 12 April 2021, the Company entered into contracts with each of the individual members of an esports team which competes under the name, 'Top Blokes'.

Top Blokes has three players on its roster: Jack Pearton (Top Blokes' captain, who is based in the UK), Andy Landais (who is based in France) and Archie Pickthall (who is based in the UK). Top Blokes' coach and team manager is Reece Mullins (who is also based in the UK).

Rocket League: RLCS X

Top Blokes competes in the Rocket League Championship Series ("**RLCS X**"), a Tier 2 professional international esports tournament, the current season of which launched in July 2020. RLCS X is dedicated to the popular Rocket League game, which is published by Pysonix. Rocket League involves competing teams using rocket-powered vehicles to hit a ball into the opposing team's goal, with points accruing during the course of a match.

In 2018, live viewership of the RLCS on the official Rocket League Twitch channel grew by 46 per cent. with 18 million live Twitch esports hours watched during the year. On 9 February 2020, it was reported that Rocket League reached 100 million views on its Twitch channel (a figure which counts the total number of unique visitors to the stream) which signifies a considerable milestone for the growing esports.

As shown in the infographic below, the 2020-2021 season of RLCS X has three splits, Fall, Winter and Spring. Each split will include three regional events in each of North America and Europe. Open qualifying events take place in between each split which allows new teams to join RLCS X. The Fall split had 32 teams competing, the Winter split had 24 teams competing and the Spring split has 20 teams. At the end of each split there is a major and at the end of the season the World Championships are held.

RLCS X has modified its schedule for the current season to accommodate the impact of the COVID-19 pandemic, for example by: (a) replacing the Fall Major with four Regional Majors and (b) replacing the Spring Major with Regional Majors.



The RLCS X splits for the 2020-2021 season (pre-modification for COVID-19)

Top Blokes' performance since June 2020

Since starting to play together in June 2020, Top Blokes has performed strongly and at the end of the RLCS X Fall split was ranked the number three team in Europe and the number six team (along with five other teams) globally. In achieving this, Top Blokes competed against a number of successful and established teams. Due to the team's high ranking after the Fall split, Top Blokes started the Winter split in the 'upper winners' bracket'.

Spring Regional 2			
#		Team	Points
1.	-	Team BDS	4119
2.	-	Team Vitality	2881
3.	-	Top Blokes	2291
4.	-	Giants Gaming	2030
5.	▲ 4	Team Queso	1801
6.	▼ 1	Dignitas	1700
6.	▲ 3	Solary	1700
8.	▼ 2	Guild Esports	1680
9.	▼ 2	Endpoint	1550
10.	▼ 2	Galaxy Racer	1420

Top Blokes' EU ranking in the RLCS X after the Spring Regional 2

TEAM	TOTAL POINTS
1 TEAM BDS EUROPE	4119
2 NRG NORTH AMERICA	3113
3 TEAM ENVY NORTH AMERICA	2913
4 TEAM VITALITY EUROPE	2881
5 ROGUE NORTH AMERICA	2552
6 SPACESTATION GAMING NORTH AMERICA	2523
7 TOP BLOKES EUROPE	2291

Top Blokes' Global ranking in the RLCS X as at 8 April 2021

Contractual arrangements between Top Blokes' team members and the Company

The Company has entered into the Top Blokes Contracts, under which the team members of Top Blokes will, amongst other things, play and stream esports (and coach, in the case of Reece Mullins) and promote the Company.

The Top Blokes Contracts are exclusive and the Top Blokes team players are prevented from entering into other commercial arrangements related to Rocket League or otherwise without the consent of the Company. Under the Top Blokes Contracts, the Company deducts 10 per cent. of each player's monthly fees/salary and pays it to SAS Prodigy Agency ("**Prodigy**") in respect of agency services provided by Prodigy to each player.

As at the date of this document, Archie Pickthall is 16 years old. His contract with the Company has certain provisions suitable for an agreement to be entered into by a minor and was carefully negotiated

with Archie's guardians to ensure his obligations to the Company do not interfere with his education. Until Archie has finished his current school year, his working hours will be limited during term time. In addition, the Company has obtained a child employment work permit from Leeds City Council for Archie. The Company plans to enter into a new contract with Archie once the current restrictions no longer apply to him at the end of June 2021.

Using the esports team to create esports Verticals

The Company intends to use Top Blokes' growing popularity to create esports verticals. Currently, esports verticals are created in a variety of ways, including:

- producing content on gaming streaming platforms for increased audience interaction;
- distributing content across different platforms to increase viewership and brand affinity to generate potential revenue opportunities;
- interacting with social media influencers who have a significant online following to enhance online visibility;
- esports teams representing the brand in competitions and events, conventional sports teams, such as football clubs in the UK, recruiting individual esports players who compete in events and tournaments on behalf of the club;
- individual esports players competing together in esports team events and tournaments;
- merchandising opportunities within the esports and gaming industry;
- enhancing cross-functional relationships between the brands, gaming and other industries such as music and health; and
- developing virtual experiences to enhance storytelling in the digital ecosystem including: lifestyle content, gaming and social media influencer content.



Example esports verticals created by an illustrative esports team

Tournament prize money

Esports teams and individual esports players can win money for competing in and winning certain esports tournaments. Available prize money is not limited only to the winners of competitions; total prize pools for competitions can be substantial, allowing players to generate revenue by competing.

Prize winnings will not form a significant proportion of the revenue of an esports organisation because the majority of winnings are usually kept by the individual esports players in a team as an incentive for them to perform well, rather than being retained by the Company. Some esports teams allow players to retain all of their prize winnings.

The available prize pools for the current RLCS X season are:

- USD\$100,000 for each EU and North American regional event (of which there are four per split); and

- USD\$1,000,000 for the Rocket League World Championship at the end of the season.

However, there is no guarantee that Top Blokes will win any more prize money for the rest of the season and the Company's working capital forecast prudently assumes that they will not.

Recruitment Strategy

The Company is developing a recruitment strategy for recruiting additional esports players in the future.

Board expertise

The Company will in part rely on the esports experience and contacts of Kevin Soltani and Jassem Osseiran to scout potential new players. Examples of deals with esports players already achieved by Kevin and Jassem through GIMA Esports Agency, include that they:

- negotiated a player transfer of a League of Legends player from Royal Youth Esports to Golden Guardians;
- negotiated the salary and terms for two Golden Guardians players and one MAD Lions player; and
- negotiated the social media and Twitch sponsorship terms for Royal Youth, an esports team.

In addition, Kevin Soltani and Jassem Osseiran may use contacts they have at esports talent agencies, esports recruiters and talent scouts to identify esports players for the Company.

Competition for players

The demand for esports players is becoming increasingly competitive as more esports organisations enter the industry and it is likely that player salaries will increase further as a result. Similar to traditional sports, esports players and talent are more likely to agree to join an esports organisation if and when the esports organisation has a strong brand, a large number of followers and demonstrates its success with prize winnings, sponsorship revenue and relationships with brands. In terms of the Company's ability to attract high calibre esports players with lower budgets, if the Company is able to implement the part of its business strategy whereby the Company enters into a joint venture with a high profile talent, the Directors believe this will help the Company attract esports players. This is because esports players are keen to play for esports teams with a celebrity attached to them due to enhanced audience engagement and viewership numbers, as well as the potential for increased sponsorship opportunities.

In addition, the Company may, in the future, grant warrants in the Company to potential esports players in exchange for the player accepting a lower salary which will allow the Company to reduce demands on its cash resources.

Top Blokes is a newly formed team, but based on its performance so far in the RLCS X 2020-2021 season the Directors believe that Top Blokes has the potential to become a successful and competitive esports team. If Top Blokes does become a successful team, the team may be able to attract more players as the team's brand and reputation grows.

Brand partnerships and Sponsorship

Esports teams increasingly attract sponsorship from well-known brands. Current sponsors of esports teams in the wider industry include: Intel, Coca Cola, Mercedes Benz, T Mobile and Red Bull as well as conventional sports teams, such as Manchester City Football Club in the UK. In 2020, revenue from esports were approximately US\$947 million. Of that, approximately US\$567 million came from sponsorship deals, US\$167 million from media rights, US\$98 million from publisher fees and US\$57 million from merchandise and event tickets. Revenues are estimated to reach approximately US\$1.1 billion in 2021, representing annual growth of 14.5 per cent..⁶

Revenues from sponsorship in the industry for 2021 are predicted to be worth US\$641 million⁷ as non-endemic brands (being those brands which are outside the gaming industry) invest more in the esports industry. At the same time, existing gaming and esports sponsors are expected to increase their involvement in the industry and non-endemic brands are expected to put in place dedicated esports budgets after successful initial ventures into the industry.

Sponsorship in the esports industry can take a variety of forms, but includes brands sponsoring:

- individual players who participate as individuals in esports tournaments and events;

⁶ 'Global Esports & Live Streaming Market Report', Newzoo: 2021

⁷ 'Global Esports & Live Streaming Market Report', Newzoo: 2021

- content creators (i.e. streamers) who engage via online gaming (i.e. streaming) to promote games to audiences;
- esports teams participating in team based events and tournaments;
- esports events, leagues and tournaments;
- advertising on social media and gaming streaming platforms (such as YouTube and Twitch);
- merchandise; and
- affiliate and product sales.

Notable Tier 1 sponsorship deals between brands and esports organisations include:

- (1) the United States Air Force's jersey and content sponsorship of the Cloud9 Counter-Strike Global Offensive team during 2018-2019;
- (2) Disney's Marvel strategic partnership with Team Liquid announced in Summer 2019 which involved co-branded merchandise; and
- (3) Nike's sponsorship of the League of Legends Pro League for a four year agreement announced in 2019 which involves all players, coaches, managers and referees wearing Nike gear on game days.

In the initial period following Admission, the Company will focus on Tier 2 esports players and games. Tier 2 esports audiences although generally smaller in size than Tier 1, are still large and significant. Viewer engagement is sufficient to support numerous sponsorship propositions from a variety of different brands. Some Tier 2 esports, as demonstrated in the examples below, have higher levels of fan engagement and viewership, though esports players operating in Tier 2 are usually paid less and do not generate sponsorship capital at the levels of Tier 1.

Examples of Tier 2 sponsorship arrangements known in the esports industry are:

- global technology and data services company, IBM has entered into an analytics and sponsorship deal with the Overwatch League, which runs through the 2022 season;
- Video platform TikTok's sponsorship of FIFA esports team, 'Tundra';
- Pepsi Co's 'Brisk' brand joining the Rocket League Championship Series as a sponsor; and
- CORSAIR's partnership with Ubisoft for its 2020 Rainbow Six Siege events.

The Top Blokes Contracts require each team member to promote the Company when they are streaming and on social media. If in the future, the Company secures sponsorship from a third party brand, as well as promoting the Company's brand, Top Blokes may also promote the particular sponsor, for example by including its logo on their team jerseys. The Company hopes to charge a sponsor to have its logo placed on Top Blokes' team jerseys.

The Company's ability to attract well-known and high profile sponsors and subsequently to generate revenue, will, in part, depend on the Company's ability to build Top Blokes' brand, the players and social media influencers to become a well-known name in the esports industry. The Company will develop brand recognition strategies by creating viewership opportunities and branding materials to grow a following by participating in esports events and through social media channels, digital online platforms and in targeted physical events.

The Company is in early stage discussions with potential sponsors and media agencies (who would be responsible for media buying deals for specific brands) in the short term following Admission.

Digital Media, online streaming and social media influencer marketing

A key part of the esports industry is that esports players, teams and social media influencers have a strong online presence through consistent streaming, video blogging and online competitions. Under the Top Blokes Contracts, each team member is required to produce social media content relating to the Company to promote the Company and Top Blokes.

The directors intend that should its esports players, teams and streamers find new material and access points to engage with audiences, the Company will seek to develop revenue generating sponsorship packages, affiliate marketing schemes, digital media opportunities and social media influencer activations which will allow brands to access the benefits of increased viewership and exposure.

The Company's success in implementing this strategy will rely heavily on online streaming and the

Company is likely to require its gaming partners (players, teams and content creators) to stream regularly to gain greater exposure to esports viewers. Esports audiences have high expectations of the standards that online content creators should meet and the Company will set out clear guidelines for its esports partners to ensure they meet these high standards.

The Company will look to connect with esports streamers, influencers and gamers who are actively engaged in esports, in comparison to a generic social media personality. The Company believes the costs of running such campaigns with streamers and influencers will represent good value for money in terms of engagement with potential fans and followers of the Company.

In addition, the Company intends to create marketing packages allowing brands to access data about viewership of its overall esports players and teams. If the Company eventually has more than one esports team, the Company's aim will be that by combining viewership data across those teams, brands may increase their marketing budgets as a way of capturing different profiles, audiences and behaviours across different games and audience demographics.

Joint venture arrangement with a high profile talent and celebrity and creating digital experiences

Another of the Company's initial targets in the initial period following Admission is to enter into a joint venture agreement with a high profile talent who will work with the Company to generate exposure for Top Blokes and who will help attract sponsorship opportunities for the Company and Top Blokes.

It is envisaged that a joint venture arrangement would be structured on a revenue share basis with no upfront or retainer fees being payable by the Company. Arrangements would likely include a minimum time commitment to be fulfilled by the talent for engaging with and promoting the Company's activities.

If the Company identifies and proceeds to engage with a particularly high profile talent and celebrity, the Company might seek to engage with the talent on a longer term basis and the Company may consider granting warrants to such talent in exchange for the Company being granted a licence to use the talent's name and image for promotions related to the Company's activities.

In meeting this target, the Company will likely rely on Keith Harris to use his experience and contacts in the sports industry to facilitate introductions between the Company and sports personalities and/or a traditional sports club. The Company is in early stage discussions with a number of potential joint venture partners, one of which may result in a formal agreement in the short term following Admission.

Digital experiences

In addition to this target, the Company intends to create digital experiences for high profile talents, celebrities and brands to provide exposure and develop online engagement through gaming and esports initiations. Examples of digital experiences might include:

- facilitating a social media campaign with footballers engaged in a game of FIFA;
- promoting gaming content with celebrities streaming on platforms such as Twitch and YouTube;
- a professional footballer playing FIFA against some of his top social media supporters on Twitch;
- athletes belonging to a traditional sports club competing in a Call of Duty competition; or
- a famous DJ competing in a spin-off competition with other DJs on Twitch.

The Company's target is to curate and facilitate these digital experiences and generate revenue through content reach, distribution of broadcasting rights and digital viewing.

Esports Services - team management and operations

In the future, as well as operating its own esports teams, the Company may look to provide services to external organisations and individuals to help them establish their own esports team structure. Such third parties could include traditional sports clubs and/or individuals with a strong brand (for example, celebrities) who are looking to enter the esports industry.

If the Company pursues such opportunities, there may be some connections to the Company with such third parties as they might be introduced to the Company through personal connections of the Directors. Were the Company to operate esports teams on behalf of third parties in the future, any potential competition and conflicts of interest would be carefully managed by the Company with properly documented boundaries and arrangements with the relevant third party to ensure no conflict of interest arises with the Company's own esports team(s).

Development of an esports technology product

The Company will look to research possible esports technology applications, potential software partners and products for development that complement the esports industry. The Directors believe that there is an opportunity to develop technology that supports the existing esports industry through simple platforms, components and acquisition tools. The Company does not intend to develop its own software from scratch and instead may look to partner with existing software providers.

To achieve this target the Company will use the extensive skills, expertise, experience and contacts of Nolan Bushnell, who is credited as being one of the founders of the video gaming industry.

Other potential sources of revenue

The Directors recognise that the esports industry in the UK is new and might grow rapidly, both in terms of the viewership numbers and the number of brands looking to gain exposure in the industry. While the Directors will focus the efforts of the Company on developing its esports teams business in the initial period following Admission, the Directors have identified other areas in which the Company might engage in the future, including potentially:

- an esports events business;
- an esports and gaming strategic consultancy and advisory business; or even
- a youth academy to allow the Company to engage with young esports players in the UK; and
- working with blockchain and digital asset tools, augmented reality, virtual reality and mobile software.

Key Performance Indicators of Company Growth

Following Admission, the Directors intend that the Company will grow its business primarily by building out its competitive esports team. The Directors anticipate that relevant key performance indicators will be developed in the short to medium term following the establishment of each individual account based on various social media targets, online footprint, team rankings and revenues versus marketing spend. Such indicators will be communicated to the market as appropriate.

Principal markets for revenue generation

The principal geographic market targeted by the Company for revenue generation will be the UK, but many esports organisations often have reach beyond their primary market given the online nature of the industry. As a UK based organisation, the Company will focus initially on seeking to connect with UK brands for sponsorship, on the basis that it is likely that the bulk of the Company's initial audience will be UK based. However, the Company may seek to expand its reach with brands outside of the UK if: (i) audience data demonstrates that the Company's esports team reaches audiences in other countries and (ii) the brand has a presence outside the UK.

As to the types of brands which the Company might target for sponsorship, the Company has no primary market which it would target. The Company would base a decision to enter into an arrangement with a brand based on whether the sponsor aligns well with the Company's brand and whether it can add value to the Company's esports team and the Company itself. The Company would not seek to engage with brands whose products or services are not in line with the Company's values, noting the demographic of esports audiences.

The Company's brand

The Company has started to develop the core elements of its brand. It has 'Semper Fortis Esports' as its brand name and has developed two main logos (which also comes in different colour and font variations:)

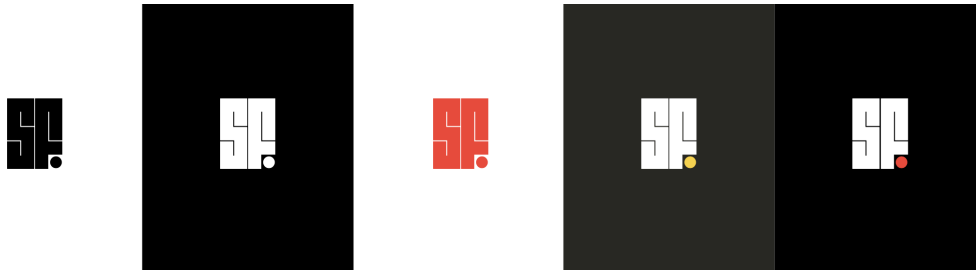
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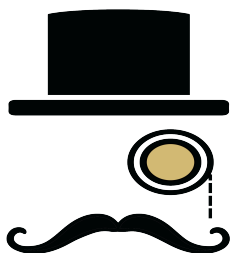
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Following Admission, the Company will continue to develop its brand with public relations announcements and media exposure about key brand developments expected in due course. The Company may also take steps to register its intellectual property.

Top Blokes' brand and new logo



Prior to the Company entering into the Top Blokes Contracts, Top Blokes had already developed its own logo. The Company has developed a new logo for Top Blokes which Top Blokes will use for upcoming seasons.

3 KEY ASSUMPTIONS

In putting together the Company's business strategy set out in section 2 of this Part 1, the Directors have relied on certain assumptions:

- that Kevin Soltani and Jassem Osseiran will be successful in identifying further sufficiently talented esports players to join its esports team;
- that the Company's esports team will be successful enough and/or develop enough of an online following to allow the Company to contract with revenue-generating sponsors;
- that eventually, the success and profile of the Company's esports team will be such that the Company will be able to deploy a merchandising strategy;
- that the esports industry will continue to grow and that tier 2 esports games in which the Company's esports team will compete continue to be popular among esports fans;
- that the financial value of, investment into and exposure of esports teams in the UK continues to grow;
- due to his experience in the traditional sports industry, that Keith Harris will succeed in making introductions to the Company of figures in the sports industry to allow the Company to formalise a joint venture arrangement;
- if in the future, the Company decides to develop esports related technology, that Nolan Bushnell will be able to use his expertise and industry contacts to develop a successful tech product; and
- in terms of the working capital statement and forecasting the use of the Net Proceeds, the Directors have prudently assumed that the Company generates zero revenue during the 24 months following Admission.

4 THE BOARD

The Board

Keith Harris (Non-executive Chairman) (68)

Keith Harris is an investment banker and financier with over 35 years' experience as a senior corporate finance and takeover adviser, and as chairman and chief executive of private and public companies in a variety of business sectors. He has held senior executive positions at leading financial institutions in the

UK and US, including Morgan Grenfell, Drexel Burnham and he was chief executive of HSBC Investment Bank and principal owner and chairman of Seymour Pierce Holdings. Keith has also held a number of non-executive positions in a wide range of industries, including Wembley National Stadium and the Football League (as Chairman) and Everton FC (as Deputy Chairman), Benfield Group and Sellar Property (the developer of The Shard). In his various roles, Keith has been an adviser and principal in many high-profile debt and equity issues as well as complex cross-border merger and acquisition transactions. Since 2013, Keith has concentrated on developing his consultancy business, principally focussing on advising and financing football clubs as well as becoming chairman of a NASDAQ listed gene therapy company and Rural Broadband Solutions Plc, whose shares are admitted to trading on the Apex segment of the Aquis Stock Exchange.

Kevin Soltani (Chief Executive Officer) (33)

Kevin is the founder and CEO of GIMA Group Inc. (an Alternative Investment Advisory based in Newport Beach, California and Dubai, United Arab Emirates), was a co-owner and global general manager of Royal Youth Esports Organization (an esports franchise in the MENA region) and founder of GIMA Esports Agency based in Los Angeles. Kevin has 9 years' experience in building blockchain based systems with a focus on tokenised gaming technologies.

Max Deeley (Finance Director) (40)

Max is the founder and managing director of DTK Capital Limited, which acquires properties in London for development and investment purposes. He was previously the Finance Director of Blue Star Group, a family office specialising in property development, established to develop the interests of the Rose Trust. Max is a qualified Chartered Accountant and qualified with BDO LLP ("**BDO**") working in both the general audit department (where he specialised in property) and the corporate tax department. While at BDO, Max also spent time working with the Corporate Finance department performing the due diligence for Topland Group on its £185 million sale and leaseback acquisition of six hotels from Thistle Hotels Limited.

Jassem Osseiran (Chief Operating Officer) (32)

Jassem is the co-founder and Chief Operating Officer of GIMA Group Inc. (an Alternative Investment Advisory based in Newport Beach, California and Dubai, United Arab Emirates) and GIMA Esports Agency. He is a consultant in the financial services sector and has over 10 years' experience in investment management, having previously held positions at Rocket Internet, a European Internet company; and PHD, a company under the Omnicom Media Group umbrella, a global advertising conglomerate. He is an experienced mentor and investor in early stage ventures with expertise in operational strategy, process and business model innovation. Jassem holds a bachelor's degree in International Business from the University of San Francisco.

Nolan Bushnell (Non-executive Director) (79)

Nolan founded the pioneering electronic gaming company, Atari, in 1972 and since then, has gone on to establish more than 20 companies, including Chuck E. Cheese's Pizza Time Theater, Catalyst Technologies (Silicon Valley's first incubator) and Etak, which developed the first commercially available computerised in-car navigation system. Currently, Nolan is the director of a number of technology businesses, including ModalVR which offers wireless, multi-player virtual reality entertainment systems for turn-key commercial use and Virsix Games, an independent game publisher which focuses on games for the Smart Speaker market. He is also a creative adviser to NFT Investments Plc whose shares are traded on the Access segment of the AQSE Growth Market. Nolan has been named one of "50 People Who Changed America" by *Newsweek*.

5 CONFLICTS OF INTEREST

5.1 Conflicts of interest with respect to the Directors

Each of the Directors have, or may come to have, other fiduciary obligations, including to other companies on whose boards of directors they presently sit and to other companies whose boards of directors they may join in the future. In addition, each of the Directors has contractual commitments to refrain from engaging in certain businesses without permission from certain companies.

To the extent that they identify business opportunities that may be suitable for the Company or other companies on whose boards of directors they may sit or to whom they owe a contractual obligation, other than Kevin Soltani and Jassem Osseiran, the Directors may honour pre-existing fiduciary and contractual

obligations ahead of their obligations to the Company. Accordingly, other than Kevin Soltani and Jassem Osseiran, the Directors may refrain from presenting certain opportunities to the Company that come to their attention in the performance of their duties as directors of such other entities or in observance of contractual obligations unless the other companies have declined to accept such opportunities or waive the contractual obligations.

As a result of their other contractual obligations, the Directors may be required to seek permission from third parties to: (i) engage in any business that competes in the esports industry or (ii) approach certain investors connected to their current or past employers. In addition, based on pre-existing fiduciary duties and company policies of the boards of directors on which a Director currently sits, the Directors may be required to present potential opportunities to, or seek permission from, such companies with respect to potential target businesses in the industries in which those companies operate. Therefore, conflicts of interest may arise when the Board evaluates a particular business opportunity with respect to the above-listed criteria and any conflicts that arise might not be resolved in the Company's favour.

Kevin Soltani, Jassem Osseiran and Max Deeley are not required to commit all of their time to the Company's affairs either and, accordingly, they will have conflicts of interest in allocating their time among their respective business activities. During the first 12 months of their respective appointments, Kevin and Jassem are required to commit 90 per cent. of their time to the Company. After the first 12 months, both will be required to commit 100 per cent. of their time to the Company. Max is required to spend such of his time as is necessary to fulfil his duties to the Company but not to exceed 15 hours per calendar month.

5.2 **Potential conflicts of interest with GIMA Group Inc. and GIMA Group Inc. FZC LLC ("GIMA Group FZC")**

The principal business activities of GIMA Group Inc. are boutique investments and agency services focused on deal flow management, minor equity investments into alternative companies (mainly focussed on technology and game tech, for example) and providing esports player agency services (operating under the brand name 'GIMA Esports Agency'). As at the date of this document, the only investment of GIMA Group Inc. is its holding in the Company.

Following Admission, GIMA Group Inc. will be used by Kevin Soltani and Jassem Osseiran for: (i) investment holdings, none of which will be esports investments and (ii) running any existing player agency arrangements it has in place as at the date of this document.

Kevin Soltani and Jassem Osseiran are each 50 per cent. shareholders in GIMA Group FZC which is: (i) an investment vehicle and (ii) an agency services firm (operating under the brand name 'GIMA Esports Agency'). GIMA Group FZC currently has a number of active esports player agency contracts and a minority interest in Yamzu, an esports game and tournament platform.

In terms of managing conflicts between GIMA Group Inc., GIMA Group FZC and the Company, after Admission, Kevin and Jassem will spend much less time operating GIMA Esports Agency to ensure they each comply with their time commitments under their contracts of employment with the Company. They will not enter into contracts between new esports players and GIMA Group Inc. or GIMA Group FZC as any new players will be appointed by the Company rather than through a GIMA entity. Kevin and Jassem will only manage existing arrangements between GIMA Group Inc. and GIMA Group FZC and esports players for as long as such arrangements have left to run.

6 **THE ISSUE**

6.1 The Issue is being implemented by way of the Placing and the Subscription. The price at which all Ordinary Shares are to be issued and sold pursuant to the Issue is 1 pence per Ordinary Share (the "**Issue Price**"). All Ordinary Shares sold pursuant to the Issue will be issued or sold (and be payable in full) at the Issue Price. The Issue Shares are denominated in Sterling at the Issue Price.

6.2 The Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the Company and who fully understand and are willing to assume the risks involved in such an investment.

6.3 The Directors believe that an investment in Issue Shares is only suitable for institutional investors, professionally-advised private investors or non-advised, private investors who understand and are capable of evaluating the risks of such an investment and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Furthermore, an investment in Ordinary Shares should constitute part of a diversified investment portfolio. It should be remembered that the price of securities and the income from them

can go down as well as up.

- 6.4 The number of Ordinary Shares that will be in issue immediately following Admission is 415,499,800, including the 209,600,000 Subscription Shares issued pursuant to the Subscription and the 45,900,000 Placing Shares issued pursuant to the Placing.
- 6.5 The Issue is only being made in the United Kingdom.
- 6.6 The rights attaching to the Issue Shares will be uniform in all respects, including the right to vote and the right to receive any dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission. None of the Issue Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission.
- 6.7 Application will be made to the Aquis Stock Exchange for all of the Ordinary Shares to be admitted to trading on the Access segment of the ASQE Growth Market. It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on 26 April 2021. Admission is conditional on completion of the Issue. If the Issue does not complete, the application for Admission will be withdrawn and the Issue and Admission cancelled.
- 6.8 None of the Issue Shares have been or will be registered under the laws of Canada, New Zealand, Japan, Australia, the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, New Zealand, Japan, Australia or the Republic of South Africa. The Placees and Subscribers are deemed to represent and warrant to the Company that they are not a US Person or a resident of Canada, New Zealand, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States or Canada (or any political subdivision of either) or New Zealand or Japan or Australia or the Republic of South Africa and that they are not subscribing for Issue Shares for the account of any US Person or resident of Canada, New Zealand, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Issue Shares in or into the United States, Canada, New Zealand, Japan, Australia or the Republic of South Africa or to any US Person or person resident in Canada, New Zealand, Japan, Australia or the Republic of South Africa. No Subscription Letter or Placing Letter has been accepted which shows the applicant, payor or a holder having an address in the United States, Canada, New Zealand, Japan, Australia or the Republic of South Africa.

7 THE PLACING

- 7.1 Pursuant to the Placing, Hybridan, on behalf of the Company, has conditionally placed 45,900,000 Placing Shares at the Issue Price of one pence per new Ordinary Share with new investors raising gross proceeds of £459,000.
- 7.2 The Company, the Directors and Hybridan have entered into the Placing Agreement, pursuant to the terms of which, Hybridan has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. Further details of the Placing Agreement are set out in paragraph 16.8 of Part 5 of this document.
- 7.3 The Placing Agreement contains provisions entitling Hybridan to terminate the Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to applicants without interest at the applicant's risk.
- 7.4 The Placing Shares will represent approximately 11 per cent. of the issued share capital of the Company on Admission.

8 THE SUBSCRIPTION

- 8.1 Pursuant to the Subscription, the Company has obtained commitments for the issue of 209,600,000 Ordinary Shares at the Issue Price with new investors raising gross proceeds of £2,096,000.
- 8.2 The terms and conditions of the Subscription are set out in full in the Subscription Letters; further details of which are set out in paragraph 16.6 of Part 5 of this document.
- 8.3 The Subscription Shares will represent approximately 50 per cent. of the issued share capital of the Company on Admission.

9 LOCK-INS

9.1 Pursuant to lock-ins deeds entered into by each of: (i) Emma Louise West, (ii) Keith Harris, (iii) Matthew Blom, (iv) Max Deeley, (v) Nolan Bushnell and (vi) Peter Abbey and the Company and Hybridan dated 23 April 2021 in respect of certain shares issued pursuant to the Founders' funding round. The parties to each deed have agreed to the following lock-up arrangements:

- (i) for a 12 month lock-up period from the date of Admission (the "**Initial Period**"), the Founders have agreed that, subject to certain customary exceptions, they will not, and will procure that a person who is a connected person will not, directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the Founders' funding round and held by each of them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing;
- (ii) for a further 12 months after the Initial Period ends (the "**Final Period**"), the Founders have undertaken that, subject to certain customary exceptions, they will not, and will procure that a person who is a connected person will not, directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the Founders' funding round and held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than with the prior written consent of such broker as the Company may determine (and such consent may be given to the extent that, such broker determines after consultation with the Company, any such disposal is necessary or expedient to deal with market liquidity issues); and
- (iii) for a further 12 months after the Final Period ends, the Founders have undertaken that, subject to certain customary exceptions, they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the Founders' funding round and held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than through such broker as the Company may determine and in such manner as such broker may in its discretion determine with a view to maintaining an orderly market.

9.2 Pursuant to lock-ins deeds entered into by each of: (i) Aasim Khan, (ii) Matthew West and (iii) Nikolas West and the Company and Hybridan dated 23 April 2021 in respect of shares issued pursuant to a pre-IPO funding round to the Initial Subscribers, the parties have agreed to the following lock-up arrangements:

- (i) for a 12 month lock-up period from the date of Admission (the "**Initial Period**"), the relevant Initial Subscribers have agreed that, subject to certain customary exceptions, they will not, and will procure that a person who is a connected person will not, directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the pre-IPO funding round and held by each of them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing; and
- (ii) for a further 12 months after the Initial Period ends, the relevant Initial Subscribers have undertaken that, subject to certain customary exceptions, they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the pre-IPO funding round and held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than through such broker as the Company may determine and in such manner as such broker may in its discretion determine with a view to maintaining an orderly market.

9.3 In addition, each of Chris Akers and GIMA Group Inc. have entered into a lock-in deed with the Company and Hybridan dated 23 April 2021 in respect of certain shares issued: (i) pursuant to the

Founders' funding round referred to in paragraph 9.1 above and (ii) in respect of shares issued pursuant to the pre-IPO funding round referred to in paragraph 9.2 above on the same terms as the lock-in deeds referred to in paragraph 9.1 and 9.2 above.

10 REASONS FOR ADMISSION AND USE OF PROCEEDS

The Issue is expected to raise approximately £2,555,000, gross of expenses. The total costs of the Issue and Admission will be paid by the Company and are estimated to be £502,000 so that the estimated Net Proceeds will be £2,053,000. The Net Proceeds will be used by the Company to implement the Company's business strategy as set out in section 2 of this Part 1. In particular, the Directors anticipate that the Net Proceeds will be used as follows:

Expense	Estimated amount in first 12 months
	£
Director salaries and fees	320,000
Team costs	285,000
Professional fees	280,000
Marketing and product development	220,000
Head office and operating costs	175,000
TOTAL	1,280,000

In preparing the above estimated costs, the Directors have assumed a worst case scenario whereby the Company receives zero revenues in the 24 months following Admission. In this scenario, the Directors would seek to reduce the Company's costs in the second year following Admission as the Company's cash reserves reduced, with total estimated costs in the second year of approximately £950,000.

11 DIVIDEND POLICY

The Directors intend to adopt a dividend policy which will reflect the long-term earnings and cashflow potential of the Company whilst maintaining an appropriate level of dividend cover. However, the Company does not currently have any plans to pay any dividends in the short to medium term while it is growing the business.

12 CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and, following Admission, the Company will comply with the QCA Code, as published by the QCA, to the extent they consider it appropriate in light of the Company's size, stage of development and resources.

The Company will hold Board meetings periodically as issues arise which require the attention of the Board. The Board will be responsible for the management of the business of the Company, setting the strategic direction of the Company, establishing the policies of the Company and appraising the making of all material investments. It will be the Board's responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company on behalf of its shareholders, to whom the Directors are accountable. The primary duty of the Board will be to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Company's approach to risk management. The Company has also established a remuneration committee of the Board (the "**Remuneration Committee**") and an audit committee of the Board (the "**Audit Committee**") with formally delegated duties and responsibilities.

The Remuneration Committee, which comprises Keith Harris as chair, and Max Deeley, will meet not less than twice each year. The Remuneration Committee is responsible for the review and recommendation of the scale and structure of remuneration for Directors, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and other stakeholders.

The Audit Committee, which comprises Max Deeley as chair and Keith Harris, will meet not less than twice a year. The Audit Committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

The Company has adopted a share dealing policy to regulate trading in the Company's shares for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the AQSE Growth Market (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation and the AQSE Rules). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

13 **FURTHER INFORMATION**

Your attention is drawn to the additional information set out in part 5 of this document.

PART 2 - RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. Accordingly, potential investors should review carefully and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt, potential investors should immediately seek their own personal financial advice from an independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the business, financial condition, capital resources, results and/or future operations of the Company could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known may also have an adverse effect on the Company.

The Directors believe that the risks described below are the material risks relating to the Company and its industry at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem to be immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Ordinary Shares. Potential investors should review this document carefully and in its entirety, and consult with their professional advisers before making an application to invest in the Ordinary Shares.

1 RISKS RELATING TO THE COMPANY AND ITS BUSINESS

The Company has a limited operating history and future revenues are uncertain

The Company is a recently formed entity with limited operating results. Accordingly, potential investors will have little basis on which to evaluate the Company's ability to achieve its business objectives or performance.

The Company has in place a growth strategy for the initial period after Admission, but there can be no assurance that the Company will be able to expand its business as planned, that the expanded business will be profitable or that the business will generate any revenue. At Admission, the Company will not have any contractual arrangements in place with potential strategic partners, sponsors and there is no guarantee that it will be able to secure contracts on terms favourable to the Company. Whilst the Directors believe that they have identified areas where the Company could expand its business and strategic partners it can contract with, unforeseen factors could adversely affect its future financial performance and there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. Due diligence in respect of any new entity, business plan and people may not reveal all of the risks.

Furthermore, the Company faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operations and gain revenue streams whilst at the same time maintaining effective cost controls. Any failure to generate revenue streams and expand them is very likely to have a material adverse effect on the Company's business, financial condition and results. Cost estimates will be made in advance of commencing a project and will depend upon assumptions, estimates and judgments which may ultimately prove to be inaccurate. Significant unanticipated costs might arise in relation to the Company's business.

The Company is dependent upon the expertise of its personnel in implementing its strategy

The Company is dependent on the Directors, its management and employees including recruiting talented esports players. The future success of the Company depends on the ability of the Company to attract and retain its management and employees. Given the Company's focus on establishing esports teams, talent selection is a key factor for the success of the Company. As team players (including the members of the Company's esports team, Top Blokes) and streamers become more successful in the industry, they may receive competitive offers from other esports businesses which could be more lucrative than what the Company is able to offer.

The future success of the Company is, to a large extent, dependent upon the specialist experience, industry knowledge and skills of the Directors and management team, particularly:

- on Kevin Soltani and Jassem Osseiran, to use their experience, contacts and expertise in the esports

industry to: (i) identify esports players to join the team who are successful enough to play in a competitive league, (ii) build on the reputation of Top Blokes and support their continued performance in the RLCS, (iii) identify and attract further esports players to the team/Company (if desired) and (iv) develop relationships with potential sponsors of the Company;

- on Keith Harris, to use his experience and contacts in the sports industry to facilitate introductions between the Company and sports personalities and/or a traditional sports club to enable the Company to enter into a joint venture arrangement; and
- on Nolan Bushnell's extensive experience in the video gaming industry, if in the future the Company decides to develop an esports tech product.

The unexpected departure or loss of members of the Board could have an adverse impact on the financial condition and results of operations of the Company, and there can be no assurance that the Company will be able to attract or retain suitable replacements for those members of the Board who depart.

In addition, neither of Kevin Soltani or Jassem Osseiran live in the UK and in the initial period following Admission, they may not be based in the UK. In the future, in order to work in the UK, Kevin Soltani and Jassem Osseiran will require a work visa. There can be no guarantee that upon applying for a work visa, either will be granted one, which could have a negative impact on their ability to carry out the work required to progress the Company's business strategy. Given the importance of Kevin and Jassem to the Company's strategy, their inability to work in the UK could have a negative impact on the business, operations, customer relationships and results.

The esports industry is in its infancy in the UK and may not develop as the Directors hope

The performance of the Company depends on the continued growth of the esports industry in the UK. At the moment, the industry is in its infancy in the UK and is not well developed. While the Directors believe that the industry will continue to grow considerably, there can be no guarantee that it will. If the industry fails to develop, opportunities to grow the business may not materialise and the performance of the Company may be negatively affected.

Contractual arrangements in the esports industry can be informal and terminated easily

Due to the industry being in its infancy and the informal online environment in which it operates, contractual arrangements in the esports industry can be informal. Commercial arrangements can be short term, ad hoc and in some cases can be terminated by either party with no notice. Competition for esports players and sponsorship is also increasing as more esports organisations enter the industry. Although the Company will enter into formally negotiated written agreements containing customary contractual protections, there can be no assurance that arrangements negotiated and entered into by the Company after Admission will not be terminated or will be renewed at the end of the contractual term agreed by the Company. The Top Blokes Contracts are for an initial short term and there is no guarantee that the players will seek to renew them. The loss of: (i) one or more of the Top Blokes Contracts, (ii) a key commercial arrangement, or (iii) the loss of several smaller commercial arrangements could have a material adverse effect on the Company's business, operations, revenues and financial results.

The Company's contractual arrangements may not be revenue generating

There can be no assurance that arrangements negotiated and entered into by the Company after Admission will be revenue generating. Revenues in the esports industry are to a large extent success based, dependent on esports players winning competitions or on the Company's success in gaining sponsorship. When esports players do well in competitions and esports companies have well-known sponsors, it contributes to the popularity of the company which in turn, allows it to attract better players and sponsorship which is of a higher value, thereby potentially increasing revenues generated. The Company has no track record in attracting sponsorship and so may not be able to enter into market value deals in the short term. If the Company fails to attract sponsors and negotiate appropriate commercial terms with sponsors, it could have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

The Company's competition may increase

The esports industry is competitive and fast moving and it may become more competitive as the popularity of esports increases, particularly in light of the COVID-19 pandemic which has caused user engagement in esports to increase. Some of the Company's competitors are more established with greater financial, marketing and other resources than the Company. These competitors may undertake more extensive marketing and advertising campaigns, attract higher calibre players and host higher profile events than

the Company. Competitors may also be able to solicit players and teams away from the Company by offering them more favourable terms and larger amounts of money. This may have a negative impact on the revenue of the Company in the future. In addition, the Company would face an increase in competition if existing competitors expanded or if there were new entrants in the market.

The Company is reliant on engaging with well-known professional esports teams and players

A key element of the Company's strategy is to establish esports teams. To achieve this, the Company will need to establish connections with well-known and highly rated esports teams, streamers and competitors. Although the Company has entered into the Top Blokes Contracts, as the esports industry develops in the UK, competitors to the Company are likely to be able to offer players and talent more money to move to their teams and the Company may need to pay players increasing amounts of money to retain them.

If the Company loses the support of these teams and players to competitors, the popularity of the Company's teams could be impacted and the Company could lose sponsorship which is attached to certain teams and players both of which could in turn reduce the revenues of the Company.

In addition, the Company is reliant on team players remaining healthy and able to compete. Although the Company will have in place processes to support players, physical and mental risks associated with the health of the team players, particularly any who are minors, could have an impact on the Company's ability to build and then maintain its profile in the esports industry.

The Company cannot guarantee it will be able to secure financing to fund its long-term expansion

The Company may need to raise further equity capital to continue and accelerate the implementation of its business strategy. There can be no guarantee that any further fundraising(s) will occur or, if they do, that the amount raised will be sufficient to implement the Company's business strategy as currently envisaged.

In addition, the Directors may wish to secure borrowing facilities in the future, subject to prevailing market conditions. There is no guarantee that the Company will be able to secure such facilities at levels or on terms acceptable to the Directors. Any amounts secured under a bank facility are likely to rank ahead of Shareholders' entitlements and, accordingly, should the Company's assets not provide sufficient returns to cover the costs of establishing and operating the Company, Shareholders may not recover their initial investment.

While the Directors believe there would be alternative opportunities the Company could pursue in such circumstances, such as entering into joint venture arrangements, the failure to raise additional capital or secure borrowing facilities and therefore implement the Company's business strategy as envisaged, could have an adverse effect on the Company's financial condition and operations and the potential returns available to Shareholders.

The Company is reliant on continued audience affinity

The commercial success of the Company is dependent on a large online audience base for the games in which it will operate. If the audiences of the games in which the Company, or its teams, operates decreases – for example as a result of the general popularity of the game decreasing or game league organisers' inability to sustain interest among audiences – the commercial sustainability of the Company may be adversely impacted. Such an adverse impact may have a negative effect on revenue streams and, as a consequence thereof, the operating results of the Company.

The Company is likely to engage with minors

There are certain risks associated with minors which the Company must consider. Given the popularity of esports among young people, there are a number of players in the esports industry who are under 18 years old.

Archie Pickthall, a member of the Company's esports team, Top Blokes, is under 18. The Company will have in place specific procedures to ensure arrangements with Archie and any other future team players who are under 18 comply with applicable regulations:

- all minors competing in a professional setting for the Company (or for one of its teams) will need appropriate parental or guardian approvals;
- limits on the amount that minors can compete and work in any given week will be applied;
- the Company will work to cultivate a supportive culture focusing on the physical and mental well-being of team players; and

- the Company will verify the age of any minors it contracts with.

Despite these measures, the Company could be vulnerable to criticism and negative publicity if players who are minors are not treated appropriately. If the Company employs a minor in breach of the relevant statutory provisions, it might commit a criminal offence. The Company could also be banned from entering certain tournaments if it inadvertently allows minors to compete on its behalf who do not meet minimum age requirements. This could have a negative impact on the popularity of the Company's brand and its attractiveness to potential sponsors.

In the future, the Company may engage in activities which directly or indirectly fall under the scope of the Gambling Act and it does not yet have a gambling licence

The scope of the Gambling Act is far reaching and there is pressure on the UK Government to broaden it further to address "online harms" – being content or activity that harms individual users in the UK and which will set out a standard of care to make companies take more responsibility for the content of their online services. The Directors believe that the Company's initial activities after Admission will not fall under the scope of the Gambling Act. However, the scope of the Gambling Act is such that, depending on the development of the Company's business, some of its activities may fall under its scope in the future. The Company may then need to apply for a gambling licence from the UK Gambling Commission, for example, if it develops a tech product in the future which is a tournament hosting platform.

The Company faces certain reputational risks

Whilst the Company will endeavour to police the ethical behaviour of its team players, it is not possible to rule out the risk of its esports players attempting to cheat, for example, by colluding with one another to 'fix' a result. If this were to occur, it could damage the reputation of the Company and its players might be banned from competing. In addition, the Company's brand may face reputational risk if the actions of team players attract negative online attention and could bring the Company into disrepute. This could impact the Company's ability to gain access to key tournaments and high-profile events, impact sponsorship arrangements and could have an adverse effect on the Company's operations.

The Directors are involved in other businesses, which could have a negative impact on the Company

None of the Directors are required to commit their full time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. In particular, Kevin Soltani and Jassem Osseiran have existing interests in the esports industry. The Directors are engaged in other business endeavours and other than Kevin Soltani, Jassem Osseiran and Max Deeley, are not obligated to devote any specific number of hours to the Company's affairs. If the Directors' other business affairs, including future litigation involving companies with which they are affiliated, require them to devote more substantial amounts of time to such affairs than expected, it could limit their ability to progress the Company's business strategy and could have a negative impact on the Company's growth, including through negative publicity. The Company can provide no assurance that these conflicts will be resolved in the Company's favour. In addition, although the Directors must act in the Company's best interests and owe certain fiduciary duties to the Company, with the exception of Kevin Soltani and Jassem Osseiran, they are not obligated to present business opportunities to the Company.

The Company may not be able to obtain insurance cover for all potential risks

The extent of insurance cover under insurance policies that the Company takes out covering risks such as key man, cyber protection etc. may not cover all the potential risks of the business, leaving the Company open to financial exposure. For example, in recent years, there have been a number of cyber-attacks on companies where the security of personal data held by such company is breached. If in the future, the Company handles personal data, it may not be able to obtain insurance cover for such an incident. In addition, the Company could also be exposed to litigation risk over key players or its esports teams. Failure by the Company to obtain insurance cover for all material risks it might be exposed to could leave the Company liable to incur the cost of resolving claims for which it has no insurance cover. Depending on the amount of the liability, such costs could have a material adverse effect on the Company's financial position.

The Uncertainty regarding the UK's future relationship with the European Union may lead to continued financial uncertainty and market volatility

On 23 June 2016, UK citizens voted in favour of the UK leaving the EU ("**Brexit**"), with Brexit subsequently occurring on 31 January 2020 under the terms of a withdrawal treaty which largely maintained the status

quo in terms of the UK's relationship with the EU until 31 December 2020. Notwithstanding the signing of a trade deal with the EU on 24 December 2020, there remains uncertainty around the UK's trading relationship with the EU and it is therefore difficult for the Company to assess what the impact of Brexit and the UK's future relationship with the EU will be on the Company. The uncertainty may lead to heightened levels of market volatility both in the UK, the EU and globally, together with other risks which could materially and adversely affect the legal, operational and regulatory regime(s) to which the Company is currently subject. The effect of these risks could also be to increase compliance and operating costs.

2 RISKS RELATING TO LAWS, TAXATION AND REGULATION

Changes in laws or regulations may adversely affect the Company's business, investments and the results of its operations

The Company is subject to laws and regulations enacted by national and local governments and institutions. These laws and regulations and their respective interpretation and application may change from time to time and those changes could have a material adverse effect on the results of the Company's operations. These regulations and laws may cover taxation, privacy, data protection, pricing, content, copyrights, distribution, mobile communications, gambling laws and regulation, financial regulation, consumer protection and the provision of online payment services. The precise nature of all the risks and uncertainties that the Company may face in the case of a change of law or regulation cannot be predicted and are outside the Company's control and further, the political and economic uncertainty which results from any actual or proposed change of applicable laws or regulations could adversely affect the operations and results of the Company.

In addition, the esports industry in the UK is still considered to be in its infancy. While at the moment, the industry does not operate in an extensive regulatory environment, regulatory infrastructure could increase and develop in the future leading to additional regulatory burdens on the Company which could have an adverse effect on its business.

The Company is exposed to changes in tax laws, accounting standards or regulation, or their interpretation

Changes in tax laws or the interpretation of those laws in the jurisdictions in which the Company operates, including changes in the rates of tax, tax reliefs or practice by a relevant tax authority (including increasing challenges by relevant tax authorities) could result in increased charges, penalties, financial condition and results of operations as could any failure to manage tax risks adequately.

In addition, many of the underlying laws and regulations imposing taxes and compliance obligations were established before the growth of the internet and e-commerce. Tax authorities globally are currently reviewing the appropriate treatment of companies engaged in e-commerce and considering changes to existing tax or other laws that could regulate transmission and/or levy sales, income, consumption, use or other taxes relating to the Company's activities and/or impose obligations on the Company to collect such taxes. For example, the UK implemented a digital tax on supplies after 1 April 2020 of social media services, internet search engines and online marketplaces operated by large technology firms. Although the Company is not currently of sufficient size to fall within the scope of the UK digital tax laws, it may reach sufficient size in the future, or the application of the laws could be expanded so as to be applicable to the Company.

3 RISKS RELATING TO THE ORDINARY SHARES

The Ordinary Shares may not be suitable for all potential investors

The Ordinary Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, investors should consult an appropriate independent investment adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities. The value of the Ordinary Shares and the income received from them can go down as well as up and investors may get back less than their original investment.

There is no prior trading market for the Ordinary Shares and the Ordinary Shares are subject to other market risks

There has been no public trading market for the Ordinary Shares at any time. The Issue Price may not be indicative of the market price of the Ordinary Shares following Admission.

Although the Company has applied to Aquis Stock Exchange for Admission of its Ordinary Shares to

trading on the Access segment of the AQSE Growth Market, there is no assurance that an active trading market for the Ordinary Shares will develop or, if developed, will be sustained following the closing of the Issue. The AQSE Growth Market is an exchange designed principally for growth companies, and as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Official List of the FCA or some other stock exchanges. In addition, the Company's continued admission to the AQSE Growth Market is entirely at the discretion of Aquis Stock Exchange. Any changes to the regulatory environment, in particular the AQSE Rules could, for example, affect the ability of the Company to maintain a trading facility on the AQSE Growth Market.

If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected. Even if an active trading market develops, the market price of an Ordinary Share may fall below the Issue Price. As a result of fluctuations in the market price of an Ordinary Share, investors may not be able to sell their Ordinary Shares at or above the Issue Price, or at all. As a result, an investment in shares traded on AQSE carries a higher risk than those listed on the Official List of the FCA.

The price of the Ordinary Shares may fluctuate significantly, and potential investors could lose all or part of their investment

Following Admission, the trading price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in these Risk Factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment, that may adversely affect the market price of the Ordinary Shares regardless of the Company's actual performance or condition in its key markets.

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which are beyond the Company's control.

Equity and debt securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any broad market fluctuations in debt or equity markets may adversely affect the trading price of the Ordinary Shares.

The Ordinary Shares are eligible for future sale

The Company cannot predict what effect, if any, future sales of Ordinary Shares, or the availability of Ordinary Shares for future sale, will have on the market price of Ordinary Shares. Sales of substantial amounts of Ordinary Shares in the public market following the Issue, or the perception that such sales could occur, could adversely affect the market price of Ordinary Shares and may make it more difficult for investors to sell their Ordinary Shares at a time and price which they deem appropriate.

While certain holders of Ordinary Shares including the Directors and Initial Subscribers have agreed to certain lock-up arrangements in respect of any Ordinary Shares held by them on Admission, a significant proportion of the Company's issued share capital will not be subject to lock-ups, and after these lock-up arrangements cease to apply there will be no contractual restriction on the sale of the Ordinary Shares owned by locked-up shareholders. Furthermore, the Company may, by agreement with its broker and AQSE Corporate Adviser, and at any time or from time to time, without notice, release all or any portion of the Ordinary Shares subject to these lock-up arrangements. The sale of these Ordinary Shares, or the perception that such sales could occur, could materially adversely affect the market price of the Ordinary Shares.

PART 3 - FINANCIAL INFORMATION ON THE COMPANY

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY



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The Directors
Semper Fortis Esports plc
1-3 Charter Square
Sheffield, S1 4HS

23 April 2021

Dear Sirs

Semper Fortis Esports plc (the "Company") – Accountant's Report on Historical Financial Information

We report on the Company's historical financial information set out in Section (B) of Part 3 for the period from incorporation to 30 September 2020.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Company's admission document dated 23 April 2021 (the "**Admission Document**"), a true and fair view of the state of affairs of the Company as at 30 September 2020 and of its losses, cash flows and changes in equity for the period ended 30 September 2020 in accordance with the basis of preparation set out in note 2.

Responsibilities

The directors of the Company are responsible for preparing the 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 Section 6.3.1 of Appendix 1 of the AQSE Growth Market Access Rulebook to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 6.3.1 of Appendix 1 to the AQSE Growth Market Access Rulebook, consenting to its inclusion in this document.

Basis of Preparation

This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 of the financial information.

This report is required by Section 6.3.1 of Appendix 1 of the AQSE Growth Market Access Rulebook and is given for the purpose of complying with that item and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those

responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Declaration

For the purposes of Section 1.2 to Appendix 1 of the AQSE Growth Market Access Rulebook, we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Section 1.2 to Appendix 1 of the AQSE Growth Market Access Rulebook.

Yours faithfully

Adler Shine LLP
Chartered Accountants

Adler Shine LLP is a limited liability partnership registered in England & Wales with registered number OC301724.

(B) HISTORICAL FINANCIAL INFORMATION ON SEMPER FORTIS ESPORTS PLC

Statement of Comprehensive Income

For the period ended 30 September 2020

	<i>Note</i>	Period ended 30 September 2020	£
Revenue			
Administrative expenses	4	<u>(247,307)</u>	
Loss before income tax		<u>(247,307)</u>	
Income tax expense		-	
Loss for the period being total comprehensive loss		<u><u>(247,307)</u></u>	
Earnings per share attributable to equity owners			
Basic and diluted earnings per share	9	<u>(£0.02)</u>	

Statement of Financial Position
Semper Fortis Esports Plc
As at 30 September 2020

	Note	As at 30 September 2020 £
ASSETS		
Current assets		
Other receivables	5	56,670
Cash and cash equivalents	6	97,736
Total assets		<u>154,406</u>
EQUITY AND LIABILITIES		
Equity attributable to owners		
Share capital	10	50,500
Share premium	10	269,499
Retained earnings		(247,307)
		<u>72,692</u>
Current liabilities		
Trade and other payables	7	81,714
Total equity and liabilities		<u>154,406</u>

Statements of Changes in Equity**As at 30 September 2020**

	Share capital £	Share premium £	Retained earnings £	Total £
At incorporation	1	-	-	1
Issue of ordinary shares	50,499	269,499	-	319,998
Total comprehensive loss for the period	-	-	(247,307)	(247,307)
At 30 September 2020	<u>50,500</u>	<u>269,499</u>	<u>(247,307)</u>	<u>72,692</u>

Statement of Cash Flows
Semper Fortis Esports Plc
For the period ended 30 September 2020

		Period ended 30 September 2020
		£
Cash flows from operating activities		
Loss before income tax expense		(247,307)
<i>Movement in working capital</i>		
Increase in receivables	5	(56,670)
Increase in payables	7	<u>81,714</u>
Net cash flow from operating activities		<u>(222,263)</u>
Cash flows from financing activities		
Issue of ordinary shares	10	319,999
Net cash flows from financing activities		<u>319,999</u>
Net increase in cash and cash equivalents		97,736
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		<u><u>97,736</u></u>

Notes to the financial information

1 General information

Semper Fortis Esports Plc (the "**Company**") was incorporated on 14 January 2020 in England and Wales, with registered number 12403380 under the Companies Act 2006. The registered office of the company is 1-3 Charter Square, Sheffield, United Kingdom, S1 4HS.

The principal activity of the Company is an esports business.

2 Basis of preparation

The Historical Financial Information and accompanying notes are based on the following policies which have been consistently applied:

The Historical Financial Information of the Company has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("**IFRS**") and the Companies Act 2006.

The financial statements are presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

The preparation of Financial Information in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 3.

Going Concern

The Directors have a reasonable expectation that the Company has adequate cash resources to continue in operational existence for a period of at least one year from date of approval of this financial information. The Company therefore has adopted the going concern basis in preparing its financial statements.

The Directors have reviewed the ongoing situation with COVID-19 and do not consider its effects to have a material impact on the Company's ability to continue as a going concern.

Adoption of new and revised standards

New standards, amendments and interpretations

The Company has adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 14 January 2020.

New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed at 14 January 2020 and not early adopted

Standard	Key requirements	Effective date for annual periods beginning on or after:
IFRS 3	Amendments to IFRS 3 'Business Combinations' to clarify the definition of a business	1 January 2020
IAS 1	Amendments to IAS1, 'Presentation of Financial Statements' regarding the definition of 'material'	1 January 2020
IAS 8	Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' regarding the definition of 'material'	1 January 2020
IFRS 9, IAS 39 and IFRS 17	Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform	1 January 2020

These standards are not considered to have an material impact on the financial statements.

3 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently.

There have been no judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial information and estimates with a significant risk of material adjustment in the next year.

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.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs, or at fair value where no proceeds are received.

Financial instruments

Financial assets

Financial assets are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are subsequently measured at amortised cost, fair value through OCI, or FVPL.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost;
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at FVPL.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely

payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. IFRS 9.5.4 The Company's financial assets at amortised cost include other receivables and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of

loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- loans and borrowings and trade and other payables;
- after initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process;
- amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Financial risk management

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial Risk Factors

The Company's cash holdings are all held with major financial institutions whose financial status is regularly reviewed.

Credit Risk

Credit risk arises from outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk, which is stated under the cash and cash equivalents accounting policy.

Liquidity risk

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generate revenue.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company's capital structure primarily consists of equity attributable to the owners, comprising issued capital, reserves and retained losses.

Current and deferred tax

Current tax

The tax currently payable is based on taxable profit or loss for the year. Taxable profit or loss differs from the profit or loss for the financial year as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes

items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the subsidiary intends to settle its current tax assets and liabilities on a net basis.

Deferred tax will be recognised on the losses incurred when the Company has sufficient visibility over the usage of these losses and is forecasting future profits in the short term.

Critical accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4 Operating expenses by nature

	2020
	£
Professional fees	247,297
Sundry expenses	10
	<hr/>
	247,307

5 Trade and other receivables

	2020
	£
Other receivables	56,670
	<hr/>
	56,670

6 Cash and cash equivalents

	2020
	£
Cash at bank	97,736
	<u>97,736</u>

7 Trade and other payables

Amounts falling due within one year:

	2020
	£
Trade payables	4,214
Other payables	77,500
	<u>81,714</u>

8 Taxation

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2020
	£
Loss before taxation	(247,307)
Tax using UK corporation tax rate of 19%	(46,988)
Tax losses carried forward	46,988
	<u>-</u>

9 Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares in issue.

The Company had in issue 154,999,800 ordinary shares and 35,000 redeemable deferred shares at 30 September 2020. The loss attributable to equity holders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share.

	2020
	£
Loss for the period attributable to equity holders (£)	247,307
Weighted average number of shares in issue	15,572,235
	<u>0.02</u>

10 Share capital and premium

On 14 January 2020 (incorporation), the Company issued 1 ordinary share of £1 for consideration of £1.

On 4 September 2020, the existing one Ordinary Share of £1 was sub-divided into 10,000 ordinary shares of £0.0001 each.

On 4 September 2020, the Company issued 99,990,000 new ordinary shares of £0.0001 each at par. Amounts paid up of £10,000 in respect of the share capital issued was received into the Company's bank account.

On 4 September 2020, the Company issued 35,000 new redeemable deferred shares of £1 each at par. Amounts paid up of £8,750 in respect of the share capital issued was received into the Company's bank account.

On 4 September 2020, the Company issued 54,999,800 new ordinary shares of £0.0001 each at a price of £0.005 per ordinary share creating a share premium of £269,499. Amounts paid up of £274,999 in respect of the share capital issued was received into the Company's bank account.

	Number of shares	Share capital £	Share premium £	Total £
At incorporation	1	1	-	1.00
Issue of ordinary shares (04/09/2020)	99,990,000	9,999	-	9,999
Issue of ordinary shares (04/09/2020)	54,999,800	5,500	269,499	274,999
Issue of redeemable deferred shares (04/09/2020)	35,000	35,000	-	35,000
		<u>50,500</u>	<u>269,499</u>	<u>319,999</u>

11 **Controlling party**

The Directors do not consider there to be an ultimate controlling party.

12 **Subsequent events**

On 19 October 2020, the Company reduced its share capital by £269,499 by cancelling all of its share premium in order to eliminate a deficit on profit and loss and create distributable reserves.

On 4 November 2020, the Company re-registered as a public company.

On 24 March 2021, the Company allotted 5,000,000 Ordinary Shares of £0.0001 each at a price of £0.01 per Ordinary Share. No shares were allotted other than for cash.

Since 30 September 2020, the Company has incurred professional fees and operational expenses and as at 31 March 2021, the cash at bank figure was £52,329.

PART 4 - UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A: Unaudited pro forma financial information

The following unaudited pro forma statement of net assets of the Company has been prepared to illustrate the effect of the Placing and Subscription on the net assets of the Company as if it had taken place on 30 September 2020.

The unaudited pro forma financial information is compiled on the basis set out in the notes below. The unaudited pro forma financial information has been prepared in a manner consistent with the accounting policies adopted by the Company from incorporation and in accordance with Section 6.7.1 to Appendix 1 of the AQSE Growth Market Access Rulebook.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

The adjustments in the unaudited pro forma financial information are expected to have a continuing impact on the Company, unless stated otherwise.

Furthermore, the unaudited pro forma financial information set out in this Part 4 does not constitute financial information within the meaning of section 434 of the Companies Act.

Unaudited pro forma statement of net assets of the Company

	At 30 September 2020 £ (note 1)	Adjustments £ (note 2)	Pro forma Total £
Assets			
Current Assets			
Trade and other receivables	56,670		56,670
Cash and cash equivalents	97,736	2,053,000	2,150,736
Total assets	154,406	2,053,000	2,207,406
Liabilities			
Current Liabilities			
Trade and other payables	(81,714)	-	(81,714)
Total liabilities	(81,714)	-	(81,714)
Net assets	72,692	2,053,000	2,125,692

Notes:

- (1) This information has been extracted from the Historical Financial Information of the Company as set out in Part 3 Section (B) of the Admission Document.
- (2) An adjustment has been made to reflect the proceeds of a placing of 45,900,000 Ordinary Shares of the Company at an issue price of one pence per Ordinary Share and a subscription of 209,600,000 Ordinary Shares of the Company at an issue price of one pence per Ordinary Shares each net of an adjustment to reflect the payment in cash of admission costs estimated at approximately £502,000.
- (3) Save as set out above, no adjustment has been made to reflect the trading performance of the Company since 30 September 2020 or any other transaction.

SECTION B: Accountant's report on pro forma financial information



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The Directors
Semper Fortis Esports plc
1-3 Charter Square
Sheffield, S1 4HS

23 April 2021

Dear Sirs

Semper Fortis Esports plc (the "Company")

We report on the unaudited pro forma financial information (the "**Pro Forma Financial Information**") set out in Part 4 of the Company's admission document dated 23 April 2021 (the "**Admission Document**").

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Section 6.7.1 to Appendix 1 of the AQSE Growth Market Access Rulebook.

It is our responsibility to form an opinion, as required by Section 6.7.1 to Appendix 1 of the AQSE Growth Market Access Rulebook, as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

Save for any responsibility arising under Section 6.7.1 to Appendix 1 of the AQSE Growth Market Access Rulebook to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 6.7.1 to Appendix 1 of the AQSE Growth Market Access Rulebook, consenting to its inclusion in this document.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of preparation

The pro forma financial information has been prepared on the basis described in Section A of Part 4 for illustrative purposes only, to provide information about how the Placing and Subscription might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ending 30 September 2020.

This report is required by Section 6.7.1 to Appendix 1 of the AQSE Growth Market Access Rulebook and is given for the purpose of complying with that requirement and for no other purpose.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with relevant

ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

For the purposes of Section 1.2 to Appendix 1 of the AQSE Growth Market Access Rulebook we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Section 1.2 to Appendix 1 of the AQSE Growth Market Access Rulebook.

Yours faithfully

Adler Shine LLP
Chartered Accountants

Adler Shine LLP is a limited liability partnership registered in England & Wales with registered number OC301724.

PART 5 - ADDITIONAL INFORMATION

1 RESPONSIBILITY STATEMENT

The Directors, whose names appear on page 6 of this document, and the Company itself, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and of the Company, the information contained in this document is in accordance with the facts and this document contains no omission likely to affect its import.

Adler Shine LLP accepts responsibility for their accountants' reports contained in parts 3 and 4 of this document. To the best of the knowledge of Adler Shine LLP, the information in that report 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 14 January 2020 under the Companies Act 2006 as a private company limited by shares with the name Semper Fortis Esports Limited and registered number 12403380. The Company's legal entity identifier (LEI) is 2138003B288DJIG8LQ90.
- 2.2 On 4 November 2020 the Company was re-registered as a public limited company and changed its name to Semper Fortis Esports plc.
- 2.3 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act and the regulations made under that Act. The Company operates in conformity with its Articles and the Companies Act.
- 2.4 The principal activity of the Company will be esports activities. The Company's initial activities will primarily be: (1) establishing esports teams and engaging with esports professionals, (2) forming partnerships with brands (for sponsorship) and well-known personalities (for online campaigns and content) and strategic technology partners for research into and development of tech products and (3) business to business consultancy and advisory services.
- 2.5 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.
- 2.6 The registered office of the Company is at 1-3 Charter Square, Sheffield S1 4HS where the telephone number is +44 (0)114 279 4000.
- 2.7 As at the date of this document, the Company does not have a premises from which it carries out its business. In the initial period following Admission, although Kevin Soltani lives on the West Coast of the United States and Jassem Osseiran lives in Dubai, both will seek to work from the UK (at least some of the time), subject to them obtaining working visas. Max Deeley is based in the UK.
- 2.8 The Company's website address is www.semperfortisesports.com. The information on the Company's website does not form part of this document.
- 2.9 The ISIN number of the Ordinary Shares is GB00BLF80W74 and the SEDOL is BLF80W7.
- 2.10 The statutory auditors to the Company as at the date of this document are PKF Littlejohn LLP (registered number OC342572).

3 THE EXISTING GROUP

The Company is a standalone company with no subsidiaries at the time of publication of this document.

4 SHARE CAPITAL

- 4.1 The following table shows the issued and fully paid share capital of the Company as at 23 April 2021 (being the latest practicable date prior to the publication of this document) and as it will be immediately following Admission:

<i>Class of Share</i>	<i>Issued and Credited as Fully Paid</i>	
	<i>Number</i>	<i>Amount Paid Up including share premium (£)</i>
<i>As at the date of this document:</i>		
Ordinary Shares of £0.0001 each	159,999,800	£334,900
Redeemable Deferred Shares of £1.00 each	35,000	£8,750.00
<i>As at Admission:</i>		
Ordinary Shares of £0.0001 each	415,499,800	£2,889,999
Redeemable Deferred Shares of £1.00 each	35,000	£8,750.00

Ordinary Shares

- 4.2 The Ordinary Shares have been and will be created pursuant to the Companies Act and the Articles and will be sterling denominated ordinary shares of £0.0001 each in the capital of the Company.
- 4.3 The Ordinary Shares shall have attached to them full voting, dividend and capital distribution (including on winding up) rights. The Ordinary Shares do not and will not confer any rights of redemption.

Redeemable Deferred Shares

- 4.4 The Redeemable Deferred Shares have been created pursuant to the Companies Act and the Articles and are sterling denominated redeemable deferred shares of £1.00 each in the capital of the Company. The Redeemable Deferred Shares will not be listed.
- 4.5 The Redeemable Deferred Shares shall have no right to receive any dividend or other distribution whether capital or income, other than on a return of capital in connection with the cancellation of the entire nominal value of each Redeemable Deferred Share. On a return of capital in a liquidation, but not otherwise, the holders of the Redeemable Deferred Shares shall have the right to receive the nominal amount of each such Redeemable Deferred Share held, but only after the holder of each other share in the capital of the Company shall have received the amount paid up or credited as paid up on each such other share and the holders of Redeemable Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.
- 4.6 On redemption of any Redeemable Deferred Share, the Company shall pay to the holder of such share in full the amount paid up or credited as paid up on such share, and the holder of such share shall be bound to deliver to the Company at its registered office the certificate in respect of such share.
- 4.7 The Redeemable Deferred Shares shall confer no right on the holders of Redeemable Deferred Shares to receive notice of, or to attend or vote at, any general meeting of the Company, but shall confer on each holder thereof a right to receive notice of and to attend and to vote at any separate class meeting of the holders of Redeemable Deferred Shares.

Share Capital History

- 4.8 On incorporation, the issued share capital of the Company was £1.00 comprising 1 ordinary share. That ordinary share was issued, credited as fully paid, to the original subscriber to the memorandum of association of the Company, Keith Harris.
- 4.9 The following changes to the issued share capital of the Company have occurred since incorporation:
- 4.9.1 pursuant to a sole shareholder's written resolution passed on 4 September 2020, the existing one ordinary share of £1.00 in the capital of the Company was sub-divided into 10,000 ordinary shares of £0.0001 each, such shares having the same rights and being subject to the same restrictions (except as to nominal value) as the existing one ordinary share of £1.00 in the capital of the Company, as set out in the Company's articles of association at that time;

- 4.9.2 pursuant to a board resolution passed on 4 September 2020, the Company approved the issue and allotment of:
- (a) 99,990,000 new Ordinary Shares of £0.0001 each at par to: (i) Emma Louise West; (ii) GIMA Group Inc.; (iii) Keith Harris; (iv) Peter Abbey; (v) Max Deeley; (vi) Matt Blom; (vii) Chris Akers; and (viii) Nolan Bushnell (together the "**Founders**"); and
 - (b) 54,999,800 new Ordinary Shares of £0.0001 each at a price of £0.005 per ordinary share to various initial investors pursuant to a pre-IPO funding round;
- 4.9.3 pursuant to a board resolution passed on 4 September 2020, the Company approved the issue and allotment of 35,000 new redeemable deferred shares of £1.00 each at par (the "**Redeemable Deferred Shares**") to: (i) Emma Louise West; (ii) GIMA Group Inc.; (iii) Keith Harris; (iv) Peter Abbey; (v) Max Deeley; (vi) Matt Blom; and (vii) Chris Akers; and
- 4.9.4 pursuant to a general meeting of the Company held on 24 March 2021 the Directors were generally and unconditionally authorised (amongst other things) to exercise all the powers of the Company to allot 5,000,000 new Ordinary Shares of £0.0001 each at a price of one pence per Ordinary Share to Aasim Khan in respect of a pre-IPO funding, (the subscribers described in this paragraph 4.9 together being the "**Initial Subscribers**").
- 4.10 In addition, on 20 October 2020, the Company reduced its share premium account and increased its retained reserves by £269,499.02 in accordance with section 641 of the Companies Act.
- The Issue**
- 4.11 Pursuant to a general meeting of the Company held on 24 March 2021 the Directors were generally and unconditionally authorised to exercise all the powers of the Company to allot equity securities:
- 4.11.1 up to an aggregate nominal value of £40,000 in respect of: (i) the Issue Shares to be issued in connection with the Issue, (ii) Options to be granted to Directors, employees and consultants and (iii) warrants to be issued to potential brand ambassadors following Admission; and
 - 4.11.2 otherwise than pursuant to sub-paragraph 4.11.1 above, for cash.
- 4.12 The Directors intend to use the authority described in sub-paragraph 4.11.1 in respect of: (i) the Issue Shares to be issued in connection with the Issue, (ii) options to be granted to Directors, employees and consultants of the Company and (iii) warrants to be issued to potential brand ambassadors following Admission.
- 4.13 The authorities described in sub-paragraphs 4.11.1 and 4.11.2 above shall expire on the earlier of the expiration of: (i) at the conclusion of the next annual general meeting of the Company or (ii) 31 March 2022, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.
- 4.14 Following the Issue, the issued share capital of the Company will be £41,550 divided into:
- 4.14.1 415,499,800 Ordinary Shares of £0.0001 each, with an aggregate share premium of £2,848,449 fully paid up; and
 - 4.14.2 35,000 Redeemable Deferred Shares of £1.00 each paid up as to a quarter of their nominal value.
- 4.15 No applications will be made for the Redeemable Deferred Shares to be listed on any securities or investment exchange, including the Aquis Stock Exchange, the London Stock Exchange or AIM.
- 4.16 A total of 12,464,994 Ordinary Shares will be reserved for issue under the terms of the Unapproved Share Options described in paragraph 5 of this part 5.
- 4.17 Following Admission, the Directors may use part of the Net Proceeds to redeem some or all of the Redeemable Deferred Shares in accordance with the terms of issue of those shares.

Admission

- 4.18 Admission is conditional on completion of the Issue. If the Issue does not complete, the application for Admission will be withdrawn and the Subscription, the Placing and Admission cancelled.
- 4.19 The Issue Shares will on Admission rank *pari passu* in all respects with the existing shares including the rights to dividends or other distributions hereafter declared, paid or made on the ordinary share capital of the Company.
- 4.20 The Ordinary Shares will be traded on the Access segment of the AQSE Growth Market. The Ordinary Shares are not listed or traded on, and no application is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.
- 4.21 The Ordinary Shares are in registered form and will, following Admission, be capable of being held in uncertificated form. Prior to the despatch of share certificates following the Issue, transfers will be certified against the register of members. The Company has applied to Euroclear UK & Ireland for the Ordinary Shares to be admitted to CREST with effect from Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under CREST. CREST is a voluntary system and holders of Ordinary Shares who wish to retain share certificates will be able to do so.
- 4.22 Save as disclosed in this document, as at the date of this document, the Company will have no short, medium or long-term indebtedness.

5 GRANT OF OPTIONS AND WARRANTS

Unapproved Share Options

- 5.1 As at the date of this document, options over a total of not more than 12,464,994 Ordinary Shares, amounting to not more than 3 per cent. of the issued share capital on Admission have been granted or are to be granted shortly after Admission, conditional on Admission, for no consideration under the terms of two unapproved share option agreements (the "**Unapproved Share Options**") as follows:

Name of Option Holder	No. of Ordinary Shares subject to Options	% of Share capital on Admission	Date of Grant	Exercise Period	Vesting Conditions	Exercise Price	% of Share capital if Options exercised
Kevin Soltani	8,309,996	2	On Admission	Over a period of 2 to 4 years from Admission	One third of the shares subject to Options vest on each of the 2 nd , 3 rd and 4 th anniversaries of Admission	the average mid-market closing price of the Ordinary Shares for the five Dealing Days immediately following Admission	2%
Jassem Osseiran	4,154,998	1	On Admission	Over a period of 2 to 4 years from Admission	One third of the shares subject to Options vest on each of the 2 nd , 3 rd and 4 th anniversaries of Admission	the average mid-market closing price of the Ordinary Shares for the five Dealing Days immediately following Admission	1%

- 5.2 A term of the Unapproved Share Options is that the respective holder shall not exercise rights under the Unapproved Share Option agreement (and require new Ordinary Shares to be issued to such party) to the extent that to do so would result in their interest in Ordinary Shares, or the interest of any Concert Party (as defined in the City Code) of which they are a member, being

equal to or greater than 30 per cent., which, pursuant to Rule 9 of the City Code, is the threshold above which such individual or Concert Party would be required to make a mandatory offer for the balance of the shares of the Company. A further term of the Unapproved Share Options is that the collective number of Unapproved Share Options shall not exceed three per cent. of the Ordinary Shares.

5.3 The Unapproved Share Options, to the extent not vested prior to the expiry date, shall lapse in certain circumstances including on termination of the option holder's employment with the Company.

5.4 Assuming the exercise of all the Unapproved Share Options in full, the Unapproved Share Options would represent 3 per cent. of the entire issued share capital of the Company as at Admission as further enlarged by the exercise of the Unapproved Share Options. The exercise in full of the Unapproved Share Options would result in the issued share capital of the Company being diluted so as to constitute 97 per cent. of the further issued share capital of the Company.

5.5 The issue of the Unapproved Share Options forms part of the overall package being offered by the Company to Kevin Soltani and Jassem Osseiran in connection with their employment arrangements with the Company.

5.6 **Further Share Options**

The Company intends to issue further options over Ordinary Shares to future employees of the Company in due course in order to attract talent and employees of a high calibre. Such number of options are intended to represent no more than approximately seven per cent. of the issued share capital at the relevant time. The Company intends to grant such options on such terms and such vesting conditions as it considers appropriate in respect of each individual grant.

Warrants

5.7 Warrants to subscribe for in aggregate up to 50 million Ordinary Shares of £0.0001 each of the Company were granted on 4 September 2020 to various individuals pursuant to the terms of the Warrant Instrument (as amended on 12 November 2020), details of which are set out as follows:

Warrant holder	No. of Ordinary Shares subject to Warrants	Date of Grant	Exercise Period	Subscription Price	% of Ordinary Share capital if all Warrants exercised***
GIMA Group Inc.	18,000,000	04/09/2020	5 years*	£0.005**	12.47%
Emma West	15,000,000	04/09/2020	5 years*	£0.005**	9.51%
Keith Harris	4,650,000	04/09/2020	5 years*	£0.005**	2.95%
Peter Abbey	4,650,000	04/09/2020	5 years*	£0.005**	2.95%
Max Deeley	2,850,000	04/09/2020	5 years*	£0.005**	1.81%
Chris Akers	2,500,000	04/09/2020	5 years*	£0.005**	4.76%
Matthew Blom	1,350,000	04/09/2020	5 years*	£0.005**	0.86%
Nolan Bushnell	1,000,000	04/09/2020	5 years*	£0.005**	0.63%

* Exercise period commences on the day after the 1 year anniversary of Admission and expires on midnight on the date of the 5 year anniversary of Admission.

**Subscription price is subject to adjustment on the terms set out in the Conditions to the Warrant Instrument.

***The Warrants will amount to 12 per cent. of the Ordinary Shares capital on Admission.

5.8 Details of the Warrant Instrument are summarised in paragraph 16.4 of this Part 5.

5.9 No applications will be made for the Warrants to be listed on any securities or investment exchange, including the Aquis Stock Exchange, the London Stock Exchange or AIM.

5.10 All rights to subscribe under the Warrants will expire if not exercised on or prior to midnight on the date of the 5 year anniversary of Admission.

5.11 The Warrants form part of the overall package being offered by the Company to the initial investors in the Company to recognise the increased risk to those investors of providing the initial capital to the Company.

5.12 The Broker Warrants have also been issued to Hybridan as described in paragraph 16.5 below. No applications will be made for the Broker Warrants to be listed on any securities or investment exchange, including the Aquis Stock Exchange, the London Stock Exchange or AIM. The Broker Warrants have been issued to Hybridan as an agreed part of the consideration for Hybridan's

services to the Company as its broker and AQSE Corporate Adviser.

- 5.13 As at 23 April 2021 (being the latest practicable date prior to the publication of this document) all of the Warrants and Hybrid Warrants are outstanding and have not been exercised.
- 5.14 Assuming the exercise of all the Warrants and the Broker Warrants in full, the Warrants and Broker Warrants would represent 13.8 per cent. of the entire issued share capital of the Company as at Admission as further enlarged by the exercise of the Warrants and the Broker Warrants. The exercise in full of the Warrants and Broker Warrants would result in the issued share capital of the Company being diluted so as to constitute 86.2 per cent. of the further issued share capital of the Company.

6 MEMORANDUM AND ARTICLES OF ASSOCIATION

- 6.1 In this paragraph 6 "**Statutes**" means the Companies Act and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies in so far as they apply to the Company.
- 6.2 Set out below is a summary of the provisions of the Articles. A copy of the Articles is available for inspection on the Company's website at www.semperfortisesports.com.

Memorandum of association

- 6.3 In accordance with section 31 of the Companies Act and the Articles, the objects of the Company are unrestricted.

Articles of Association

- 6.4 The Articles were adopted pursuant to a special resolution passed by the members of the Company on 30 October 2020.
- 6.5 The Articles contain provisions to the following effect:

6.5.1 **Voting rights of members**

- (a) In general, all holders of Ordinary Shares who have properly registered their shares in time may participate in general meetings. The holders of Redeemable Deferred Shares shall have no right to receive notice of, or to attend or vote at, any general meeting of the Company, but shall have a right to receive notice of and to attend and to vote at any separate class meeting of the holders of Redeemable Deferred Shares.
- (b) If the notice of the meeting has specified a time (which is not more than 48 hours - ignoring any part of a day that is not a working day - before the time fixed for the meeting) by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting, no person registered after that time shall be eligible to attend and vote at the meeting by right of that registration, even if present at the meeting.
- (c) Subject to any special terms as to voting for the time being attached to any shares in the Company, on a show of hands every member present in person or by duly appointed proxy at a general meeting and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every share held by him. In the case of joint holders, the person whose name stands first in the register of members and who votes in person or by proxy is entitled to vote to the exclusion of all other joint holders.
- (d) No holder of a Share shall, unless the Board otherwise determines, be entitled (except as a proxy for another member) to be present or vote at a general meeting either personally or by proxy if any call or other sum presently payable by him to the Company in respect of that Share remains unpaid; or if he or any other person who appears to be interested in the Share has been duly served pursuant to the Companies Act with a disclosure notice (see paragraph 6.5.10(a) below).
- (e) A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of

hands or on a poll, by any person authorised to do so on his behalf as long as evidence satisfactory to the Board of that person's authority is provided in accordance with the Articles.

6.5.2 **Dividends**

Subject to the Statutes, the Company may declare dividends by ordinary resolution, and interim dividends can be paid by the Board. No dividend may be paid in contravention of the special rights attaching to any share, and no dividend declared in general meeting shall be payable in excess of the amount recommended by the Board. Unless otherwise resolved, all dividends are apportioned and paid proportionately to the amounts paid up on the Ordinary Shares during any portion or portions of the period in respect of which the dividend is paid. The holders of Redeemable Deferred Shares shall have no right to receive any dividend or other distribution whether of capital or income other than a return of capital in connection with the cancellation of the entire nominal value of each Redeemable Deferred Share or on a return of capital in a liquidation.

A dividend may, upon the recommendation of the Board and on being approved by ordinary resolution, be wholly or partly satisfied by the distribution of assets and, in particular, of paid up shares or debentures of any other company. No dividend shall bear interest against the Company unless otherwise provided by the rights attached to the share. Any dividend, interest or other sums payable and unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend, interest or other sums unclaimed for a period of 12 years from the date of such dividend having been declared, or such interest or other sums becoming payable, shall be forfeited and shall revert to the Company.

The Board may, if authorised by ordinary resolution, offer Shareholders, in respect of any dividend, the right to elect to receive Ordinary Shares by way of scrip dividend instead of cash. The Board may withhold payment of all or any part of any dividends or other monies payable in respect of any Ordinary Shares that represents at least 0.25 per cent. of the Ordinary Shares in issue (excluding any Ordinary Shares held as treasury shares) if a person who has, or appears to the Company to have, an interest in those Ordinary Shares has failed to comply with a disclosure notice (see paragraph 6.5.10(a) below).

6.5.3 **Return of capital**

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

On a return of capital in connection with the cancellation of the entire nominal value of each Redeemable Deferred Share or in a liquidation (but not otherwise) the holders of the Redeemable Deferred Shares shall have a right to receive the nominal amount of each such Redeemable Deferred Share held but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on each such Ordinary Share. The holders of the Redeemable Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company

6.5.4 **Redeemable shares**

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

6.5.5 **Form of holding of shares**

The Ordinary Shares are in registered form and a register of members is maintained by the Registrars. Ordinary Shares may be held in either certificated or (subject to the

Articles) uncertificated form. The transferor of an Ordinary Share is deemed to remain the holder until the transferee's name is entered in the register.

6.5.6 **Transfer of shares**

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

- (a) if it is in certificated form, if the share is not fully paid or if the Company has a lien on it (except that such the Board's discretion to refuse the transfer may not be exercised so as to prevent dealings in shares of the relevant class from taking place on an open and proper basis);
- (b) if it is in certificated form, unless it is lodged, duly stamped (if required), at the registered office of the Company and accompanied by the certificate for the shares to which it relates and/or evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (c) if the transfer is not in respect of one class of share only;
- (d) if the transfer is not in favour of four or fewer transferees;
- (e) if the transfer is in favour of a minor, bankrupt or person of mental ill-health;
- (f) if it is held in uncertificated form, in any other circumstances permitted by the CREST Regulations and/or the CREST rules; or
- (g) where the Board is obliged or entitled to refuse to do so where a person has failed to comply with a disclosure notice (see paragraph 6.5.10(a) below).

6.5.7 **Pre-emption rights**

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

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

6.5.8 **Variation of rights**

Under the Statutes, as the Articles do not provide otherwise the rights attached to any class of shares may be altered or abrogated with the written consent of the holders of not less than three fourths in number of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of that class.

6.5.9 **Lien and forfeiture**

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

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

- (a) If a person appearing to have an interest in the issued share capital of the Company of a class carrying rights to vote in all circumstances at general

meetings has failed to give the Company within 14 days information required by a notice requiring that information (a "**disclosure notice**"), the Board may, at its discretion, impose restrictions upon the relevant shares.

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

6.5.11 **General meetings**

- (a) The Companies Act requires annual general meetings to be held on a regular basis in addition to any other general meetings. The Board may call other general meetings whenever it thinks fit. The Board must also convene a meeting upon the valid request of members holding not less than 5 per cent. of the Company's paid up capital carrying voting rights at general meetings. If the Board fails to give notice of such meeting to members when required to do so, the members that requested the general meeting, or any of them representing more than one half of the total voting rights of all members that requested the meeting, may themselves convene a meeting.
- (b) An annual general meeting shall be convened by at least 21 clear days' notice and (subject to the Statutes) all other general meetings shall be convened by at least 14 clear days' notice. Every notice calling a general meeting shall specify the place (or the electronic means of participation), the day and the time of the meeting and the general nature of the business to be transacted.
- (c) Provided a physical meeting has also been proposed, the Directors may resolve to enable persons entitled to attend and participate in such meeting to do so (i) by simultaneous attendance and participation at a satellite meeting place or places anywhere in the world; and/or (ii) by simultaneous attendance and participation by electronic means.
- (d) If in the context of the meeting simultaneous attendance and participation by electronic means is facilitated, the inability, for any reason, of any person entitled to attend any meeting place or participate in the business of the meeting by way of electronic means will not invalidate the proceedings of that meeting.
- (e) Two members present personally or by proxy and entitled to vote shall be a quorum for all purposes. If a quorum is not present within five minutes of the commencement time of the meeting (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait), the meeting, if requisitioned by members, shall be dissolved or, in any other case, adjourned to such time (not being less than ten nor more than 28 days later) and place and with such other means of participation (including any satellite meeting place or places and/

or by electronic means) as the chairman of the meeting shall decide and at such adjourned meeting one member present personally or by proxy (whatever the number of shares held by him) and entitled to vote shall be a quorum.

- (f) Members may attend and vote personally or by duly appointed proxy. A member may appoint more than one proxy in relation to a general meeting, provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the member. The Articles contain provisions for the appointment of proxies, including time limits for making such appointments ahead of the meeting and provisions for appointment by means of electronic communication.
- (g) A simple majority of members entitled to vote and who are present personally or by duly appointed proxy may pass an ordinary resolution. To pass a special resolution, a majority of not less than three fourths of the members entitled to vote and who are present personally or by duly appointed proxy at the meeting is required.
- (h) The Board may direct that persons entitled to attend any general meeting should submit to searches or other security arrangements or restrictions, and may refuse entry to a general meeting to any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions whether participating at a satellite meeting place or places and/or by electronic means. If any person has gained entry to a general meeting and refuses to comply with any such security arrangements or restrictions or disrupts the proper and orderly conduct of the general meeting, the chairman of the meeting may at any time, without the consent of the general meeting, require the person to leave or be removed from the meeting. Where the Board resolves to enable persons to attend and participate in a meeting by simultaneous attendance and/or by participation by electronic means, the Board or the chairman may make any arrangement or impose any restriction it or he considers appropriate to ensure the identification of those participating in the meeting by electronic means and the security of the electronic communications. Any such arrangement or restriction must, in the opinion of the Directors or the chairman (as relevant), be proportionate to achieving the objective of the security arrangements.

6.5.12 **Notices to overseas shareholders**

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

6.5.13 **The Board**

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

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

6.5.14 **Directors**

(a) *Appointment and retirement of directors*

The directors (excluding alternate directors) shall not, unless otherwise determined by ordinary resolution, be fewer than two but shall not be subject to

any maximum number. A director need not be a member of the Company.

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

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

No director may vote or be counted in the quorum on any resolution of the Board concerning his own appointment (including the settlement or variation of the terms, or the termination, of the appointment) as the holder of any office or place of profit within the Company or any other company in which the Company is interested.

(b) *Remuneration of directors*

The directors shall be entitled to receive fees for their services at a rate which shall not exceed an aggregate sum of £500,000 per annum or such higher amount as the Company, by ordinary resolution, may determine from time to time.

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

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

(c) *Directors' interests*

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

- (i) may hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company;
- (ii) may be a party to, or otherwise interested in, any contract with the Company or in which the Company is otherwise interested;
- (iii) may be a director or other officer of, or employed by, or a party to any contract with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or in relation to which the Company has power of appointment; and
- (iv) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such contract or from any interest in such body corporation nor shall the receipt of such remuneration or benefit constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties.

(d) *Restrictions on directors voting*

A director is not permitted to vote or be counted in the quorum on any resolution of the Board or of a committee of the Board concerning any matter in which he

has, to his knowledge, directly or indirectly, an interest or duty that is material. This prohibition does not apply to any of the following matters:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (ii) the giving by the Company of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part (whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (iii) the director subscribing or agreeing to subscribe for, or purchasing or agreeing to purchase, any shares, debentures or other securities of the Company or any of its subsidiary undertakings;
- (iv) any contract concerning any company (not being a company in which the director owns 1 per cent. or more) in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise;
- (v) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings under which he benefits in a similar manner as the employees;
- (vi) any contract concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors or for persons who include directors; or
- (vii) any indemnity permitted by the Articles (whether in favour of the director or others as well) against any costs, charges, expenses, losses and liabilities sustained or incurred by him as a director of the Company or of any of its subsidiary undertakings, or any proposal to provide the director with any advance towards the costs of defending himself in relation to any civil or criminal proceedings or any investigation or other action by a regulator taken against him as a director.

(e) *Conflicts of interest requiring Board authorisation*

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

Any such authority may provide:

- (i) for the exclusion of such a director from the receipt of information or participation in decision-making or discussion (whether at Board meetings or otherwise) related to the conflict;
- (ii) that such a director will be obliged to conduct himself in accordance with any terms imposed by the Board from time to time in relation to the conflict but will not be in breach of his duties as a director by reason of his doing so;
- (iii) that, where such a director obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (iv) that such a director shall not be accountable to the Company for any

benefit that he receives as a result of the conflict;

- (v) that the receipt by such a director of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Companies Act not to accept benefits from third parties;
- (vi) that the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
- (vii) that the Board may withdraw the authority at any time.

6.5.15 **Borrowing powers**

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

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

6.5.16 **Indemnity of officers**

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

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

6.5.17 **Power to insure**

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

6.5.18 **Untraceable shareholders**

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

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

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

6.5.19 **Mandatory takeover bids, squeeze-out and sell-out rules**

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

7 **DIRECTORS, FOUNDERS AND INITIAL SUBSCRIBERS OF THE COMPANY**

7.1 The Directors of the Company and their respective functions are as follows:

<i>Director</i>	<i>Position</i>	<i>Business address</i>
Keith Harris	<i>Non-Executive Chairman</i>	1-3 Charter Square, Sheffield S1 4HS
Kevin Soltani	<i>Chief Executive Officer</i>	1-3 Charter Square, Sheffield S1 4HS
Max Deeley	<i>Finance Director</i>	1-3 Charter Square, Sheffield S1 4HS
Jassem Osseiran	<i>Chief Operating Officer</i>	1-3 Charter Square, Sheffield S1 4HS
Nolan Bushnell	<i>Non-Executive Director</i>	1-3 Charter Square, Sheffield S1 4HS

7.2 The table below sets out the names of all companies and partnerships outside of the Company of which any of the Directors of the Company is or has been a member of the administrative, management or supervisory body or partner at any time within the previous five years:

<i>Name of Director</i>	<i>Current directorships and/or partnership</i>	<i>Previous directorships and/or partnerships</i>
Keith Reginald Harris	Keith Harris & Associates Limited Yesod Bio-Sciences Limited KHP Football Ltd Cherwill Films LLP MeiraGTX Holdings Rural Broadband Solutions Plc	Everton Football Club Company, Limited The Invicta Film Partnership No.14, LLP Everton Stadium Development Limited Absarb Securities Ltd Creditech PLC Grail Resources PLC MeiraGTX Limited Everton FC Finance Limited Sustainable Housing Solutions (Singapore) Phoenix Opportunities Limited
Kevin Soltani	GIMA Group Inc.	Baby B More Kensington London College Ltd
Max Howard Deeley	DTK Capital Limited DTK North Limited DTK Avenue Limited DTK Northgate Ltd Stanbury Advisors Limited DTK Georgeham Limited 89 Gloucester Avenue Camden Limited DTK North 2 Limited Northgate Property Management Limited	Drum Design & Build Limited Reflex Vehicle Solutions Limited Blue Star Group Limited Blue Star Group International Limited The Ad Agency Online Limited Citixone Limited Blue Star Management Limited Peter Phan Design Consultancy Limited Rose Property Holdings Limited Oakmere Property Management Limited
Jassem Osseiran	GIMA Group Inc. GIMA Group Inc. FZC LLC	Truffle Moi FZC
Nolan Bushnell	Perrone Robotics, Inc. Modal Systems, Inc. Two Bit Circus Virsix Games Inc.	Wave Systems Corp. Brainrush Inc. Black Sheep Ventures Ltd

Save as indicated above, none of the Directors has performed any business activities outside the Company which are significant with respect to the Company.

7.3 The following Directors have been associated with the following bankruptcies, receiverships or liquidations in the last five years:

7.3.1 **Nolan Bushnell**

Nolan was a director of Wave Systems Corp until December 2015. Following his departure, on 1 February 2016 it filed a voluntary petition for bankruptcy in the United States Bankruptcy Court for the District of Delaware. On 29 April 2016 ESW Capital LLC was approved as the successful bidder for the Company. The Chapter 7 Case

was converted to a Chapter 11 Case on 13 May 2016 moving from a “liquidation” bankruptcy to a “re-organization” bankruptcy. The Reorganisation of Wave Systems Corp was approved on 19 July 2016 with the order confirming the amended plan of Reorganisation being confirmed on 25 August 2016. The order granting the motion for Final Decree Closing Chapter 11 Case was signed on 2 April 2018 and the case itself was closed on 9 April 2018. The Company then changed its name to ESW Holdings, Inc. on 23 July 2018

7.3.2 **Max Deeley**

Max Deeley was a director of Reflex Vehicle Solutions Limited when it was dissolved following liquidation on 21 May 2019. The company was initially put into administration on 12 March 2012 and at the end of administration, the company was placed into creditors' voluntary liquidation, where certain secured creditors were not paid in full.

7.4 Except as disclosed in paragraph 7.3 above, none of the Directors has at any time within the last five years:

7.4.1 had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;

7.4.2 been adjudged bankrupt or the subject of any individual voluntary arrangement;

7.4.3 had a receiver appointed with respect to any assets belonging to him;

7.4.4 been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);

7.4.5 been disqualified by a court from acting as a director or other officer of any company or from acting in the management or conduct of the affairs of any company;

7.4.6 been a partner in a partnership which, while he was a partner or within 12 months of his ceasing to be a partner, was put into compulsory liquidation or administration or entered into any partnership voluntary arrangement, or had a receiver appointed over any partnership asset; or

7.4.7 been a director or senior manager of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors, at any time while he was a director or senior manager of that company or within 12 months after his ceasing to be a director.

7.5 The Founders of the Company who are not also directors are Emma Louise West, Peter Abbey, Matthew Blom and Chris Akers. The Initial Subscribers to the Company who are not also directors or Founders are Matthew West, Nikolas West and Aasim Khan.

7.6 Emma Louise West is married to Nikolas West, and Matthew West and Nikolas West are brothers. In addition, Aasim Khan and Saqib Khan are brothers. Save as disclosed in this paragraph 7.6, there are no family relationships in existence between the Directors, Founders or Initial Subscribers.

7.7 Directors Kevin Soltani and Jassem Osseiran have existing interests in GIMA Group Inc., which is a Founder.

7.8 Save as disclosed in section 5 of Part 1, none of the Directors, Founders or Initial Subscribers has any potential conflicts of interest between their duties to the Company and their private interests or their duties to third parties.

7.9 For details of the restrictions agreed by the Directors, Founders and Initial Subscribers on the disposal of their holdings in the share capital of the Company see paragraph 16.2 of this part 5.

7.10 There is no arrangement or understanding with major shareholders, customers, suppliers, sponsors or others, pursuant to which any Director, Founder or Initial Subscriber was selected as a Director.

8 **LETTERS OF APPOINTMENT AND SERVICE AGREEMENTS FOR DIRECTORS**

8.1 The details of the Directors' service contracts and appointment letters, all of which are between each individual Director and the Company, are summarised below.

8.2 Other than Kevin Soltani, Jassem Osseiran, Max Deeley and Archie Pickthall, as at the date of this document, the Company has no employees.

8.3 Non-Executive Chairman – Keith Harris

Keith Harris was appointed as Non-Executive Director and Chairman of the Company (such appointment being conditional on approval of the Board) under the terms of the letter of appointment dated 23 April 2021. Pursuant to this letter of appointment Keith Harris is to be paid annual fees of £25,000.

His appointment shall be for an initial term of one year, and thereafter shall continue until terminated by one party giving of six months' notice in writing to the other subject to the Company's right to terminate with immediate effect in certain circumstances, or if he is not elected at future general meetings of the Company where he is required to offer himself for re-election in accordance with the Articles.

8.4 Chief Executive Officer – Kevin Soltani

Kevin Soltani was appointed as Chief Executive Officer and General Manager of the Company under the terms of a service agreement dated 23 April 2021 with a commencement date of 1 October 2020. Pursuant to this agreement Kevin will be paid an initial annual salary of £75,000.

During the first 12 months of his appointment, Kevin shall devote 90 per cent. of his time, attention and ability during his working hours to the duties of his employment under his service agreement. His appointment shall be for an initial term of one year, and thereafter shall continue until terminated by one party providing not less than 12 months' notice in writing to the other, subject to the Company's right to terminate with immediate effect in certain circumstances, or if he is not elected at future general meetings of the Company where he is required to offer himself for re-election in accordance with the Articles. In addition, Kevin's service agreement provides that after the initial term of one year, he will be required to dedicate 100 per cent. of his time to the duties of his employment.

8.5 Finance Director – Max Deeley

Pursuant to a service agreement dated 23 April 2021, Max Deeley has agreed to act as Finance Director of the Company. Pursuant to this agreement Max will be paid an annual salary of £24,000.

Max will be required to spend such of his time as is necessary to fulfil his duties to the Company but not to exceed 15 hours per calendar month. His appointment shall be for an initial term of one year, and thereafter shall continue until terminated by one party providing not less than three months' notice in writing to the other, subject to the Company's right to terminate with immediate effect in certain circumstances, or if he is not elected at future general meetings of the Company where he is required to offer himself for re-election in accordance with the Articles.

8.6 Chief Operating Officer – Jassem Osseiran

Pursuant to a service agreement dated 23 April 2021 with a commencement date of 1 October 2020, Jassem Osseiran has agreed to act as Chief Operating Officer of the Company. Pursuant to this agreement Jassem will be paid an annual salary of £70,000.

During the first 12 months of his appointment, Jassem shall devote 90 per cent. of his time, attention and ability during his working hours to the duties of his employment under the service agreement. His appointment shall be for an initial term of one year, and thereafter shall continue until terminated by one party providing not less than 12 months' notice in writing to the other, subject to the Company's right to terminate with immediate effect in certain circumstances, or if he is not elected at future general meetings of the Company where he is required to offer himself for re-election in accordance with the Articles. In addition, Jassem's service agreement provides that after the initial term of one year, he will be required to dedicate 100 per cent. of his time to the duties of his employment.

8.7 Non-Executive Director – Nolan Bushnell

Nolan Bushnell has entered into an appointment letter with the Company dated 23 April 2021 pursuant to which, conditional upon approval of the Board, Nolan has agreed to be appointed as a Non-Executive Director of the Company. Pursuant to this agreement Nolan is to be paid annual fees of £12,500.

His appointment shall be for an initial term of one year, and thereafter shall continue until

terminated by one party giving of six months' notice in writing to the other subject to the Company's right to terminate with immediate effect in certain circumstances, or if he is not elected at future general meetings of the Company where he is required to offer himself for re-election in accordance with the Articles.

- 8.8 Save as mentioned above in this paragraph 8, there are no existing or proposed service agreements between any Director and the Company or any of its subsidiaries providing for benefits upon termination of employment.

9 CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and the Company will comply with QCA Code, to the extent they consider it appropriate in light of the Company's size, stage of development and resources. Further detail on the Company's corporate governance procedures and committees can be found in section 12 of Part 1 of this document.

10 DIRECTORS', FOUNDERS AND OTHERS' SHARE INTERESTS AND OPTIONS

10.1

- (i) The interests of the Directors, Founders, Initial Subscribers and any person connected with a Director or Founder (within the meaning of section 252 of the Companies Act) (all of which are beneficial unless otherwise stated) in the issued share capital of the Company were as at 23 April 2021 (being the latest practicable date prior to the publication of this document) and are expected to be immediately following the Issue, to the extent that their existence is known to, or could with reasonable diligence be ascertained by, the Directors, as follows:

	<i>No. of Existing Shares Held</i>	<i>% of Existing Share Capital</i>	<i>No. of Shares held immediately following Admission</i>	<i>% of issued Shares held immediately following Admission</i>	<i>% of Shares held if all warrants and Unapproved Options exercised</i>
Ordinary Shares					
GIMA Group Inc.	41,000,000	25.63%	41,000,000	9.87%	12.15%
Emma Louise West	30,000,000	18.75%	30,000,000	7.22%	9.27%
Aasim Khan	25,000,000	15.63%	50,000,000	12.03%	10.30%
Chris Akers	20,000,000	12.50%	20,000,000	4.81%	4.63%
Peter Abbey	9,300,000	5.81%	9,300,000	2.24%	2.87%
Keith Harris	9,300,000	5.81%	9,300,000	2.24%	2.87%
Nikolas West	8,400,000	5.25%	53,400,000*	12.85%	11.00%
Matthew West	6,599,800	4.12%	12,099,800	2.91%	2.49%
Max Deeley	5,700,000	3.56%	5,700,000	1.37%	1.76%
Matthew Blom	2,700,000	1.69%	2,700,000	0.65%	0.83%
Nolan Bushnell	2,000,000	1.25%	2,000,000	0.48%	0.62%
Kevin Soltani	0	0.00%	0	0.00%	1.71%
Jassem Osseiran	0	0.00%	0	0.00%	0.86%
Redeemable Deferred Shares					
GIMA Group Inc.	12,587	0.00%	12,587	0.00%	0.00%
Emma Louise West	10,714	0.00%	10,714	0.00%	0.00%
Peter Abbey	3,321	0.00%	3,321	0.00%	0.00%
Keith Harris	3,321	0.00%	3,321	0.00%	0.00%
Max Deeley	2,037	0.00%	2,037	0.00%	0.00%
Chris Akers	1,786	0.00%	1,786	0.00%	0.00%
Matthew Blom	964	0.00%	964	0.00%	0.00%

*Following Admission, Nikolas West will hold 30,000,000 of his Ordinary Shares through Acqam International FZE.

- 10.2 As at 23 April 2021 (being the latest practicable date prior to the publication of this document) the Executive Directors and other Initial Subscribers held options and/or Warrants over the Company's shares as indicated in paragraph 5 of this Part 5.

- 10.3 Save as set out in paragraphs 10.1 and 10.2 above, none of the Directors or Initial Subscribers or any person connected (within the meaning of section 252 of the Companies Act) with any Director or Initial Subscriber, had as at 23 April 2021 (being the latest practicable date prior to the publication of this document) or will immediately after Admission have, any interest, beneficial or otherwise, in the Ordinary Shares of the Company or any options or warrants or other rights over any unissued Ordinary Shares of the Company.
- 10.4 Emma Louise West, Matthew West and Nikolas West, together being the holders of 22.86 per cent. of the issued share capital at Admission are presumed to be acting in concert with each other. Aasim Khan and Saqib Khan, together being the holders of 14.44 per cent. of the issued share capital at Admission are presumed to be acting in concert with each other.

Substantial Shareholdings

- 10.5 In addition to the interests of the Directors and Initial Subscribers disclosed in this paragraph 10, the Directors are aware that the persons set out below are, or will immediately following the Issue be, interested in three per cent. or more of the issued share capital or voting rights of the Company, so far as is notifiable under English law:

Name	No. of Existing Ordinary Shares held	% of Existing Ordinary Shares	No. of Ordinary Shares held immediately following Admission	% of Ordinary Shares held immediately following Admission
Acqam International FZE*	0	0%	30,000,000	7.22%
Anthony Gibson	0	0%	20,000,000	4.81%
Barry Moat	0	0%	20,000,000	4.81%
Robert Taylor	0	0%	15,500,000	3.73%
David Griffiths	0	0%	15,000,000	3.61%

* Being the vehicle through which Nikolas West will hold 30,000,000 of his Ordinary Shares following Admission.

- 10.6 As at 23 April 2021 (being the latest practicable date prior to the publication of this document), the Company is not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 10.7 There are no differences between the voting rights enjoyed by the ordinary shareholders described in paragraphs 10.1 to 10.4 above and those enjoyed by any other holder of Ordinary Shares in the Company.

11 WORKING CAPITAL

- 11.1 The Company is of the opinion that, after taking into account the Net Proceeds to be received by the Company, the Company has sufficient working capital for its present requirements, that is, for at least the next 12 months following the date of this document.

12 NO SIGNIFICANT CHANGE

- 12.1 Except as disclosed in this document, there has been no significant change in the financial or trading position of the Company since 30 September 2020, the date to which the financial information in parts 3 and 4 of this document was prepared.

13 LITIGATION

- 13.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months preceding the date of this document which may have, or have had in the recent past significant effects on the Company's financial position or profitability.

14 FINANCIAL INFORMATION

- 14.1 The financial information in this document does not amount to statutory accounts within the meaning of section 441 of the Companies Act. Adler Shine LLP, a member of the Institute of Chartered Accountants in England and Wales, reported on the historical financial information of the Company as at 30 September 2020. The Company is newly incorporated and therefore has a

limited trading history and therefore no statutory accounts have yet been prepared nor audited.

15 MANDATORY BID, SQUEEZE OUT AND SELL OUT

Mandatory Bid

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

Squeeze Out

- 15.2 Under the Companies Act, if an offeror were to acquire or contract to acquire 90 per cent. of the shares to which the offer relates 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 consideration to the Company, which would hold the consideration on trust for outstanding Shareholders.
- 15.3 The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

Sell Out

- 15.4 The Companies Act would also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who made a takeover offer. 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 to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.
- 15.5 The offeror would be required to give any Shareholder notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his or her right, the offeree is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed. There have been no public takeover bids by third parties in respect of the share capital of the Company.

16 MATERIAL CONTRACTS

- 16.1 Set out below is a summary of the contracts (not being entered into in the ordinary course of business) that have been entered into by the Company since the Company's incorporation which: (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this document.

16.2 **Lock-In Deeds**

- (i) Pursuant to lock-ins deeds entered into by each of: (i) Emma Louise West, (ii) Keith Harris, (iii) Matthew Blom, (iv) Max Deeley, (v) Nolan Bushnell and (vi) Peter Abbey and the Company and Hybridan dated 23 April 2021 in respect of certain shares issued pursuant to the Founders' funding round. The parties to each deed have agreed to the following lock-up arrangements:
- (1) for a 12 month lock-up period from the date of Admission (the "**Initial Period**"), the relevant Founders have agreed that, subject to certain customary exceptions, they will not, and will procure that a person who is a connected person will not, directly or indirectly transfer the legal and/or beneficial ownership (or any

- interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the Founders' funding round and held by each of them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing;
- (2) for a further 12 months after the Initial Period ends (the "**Final Period**"), the relevant Founders have undertaken that, subject to certain customary exceptions, they will not, and will procure that a person who is a connected person will not, directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the Founders' funding round and held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than with the prior written consent of the Company's broker and AQSE Corporate Adviser may determine (and such consent may be given to the extent that, such broker determines after consultation with the Company, any such disposal is necessary or expedient to deal with market liquidity issues); and
 - (3) for a further 12 months after the Final Period ends, the relevant Founders have undertaken that, subject to certain customary exceptions, they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the Founders' funding round and held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than through the Company's broker/AQSE Corporate Adviser may determine and in such manner as the Company's broker/AQSE Corporate Adviser may in its discretion determine with a view to maintaining an orderly market.
- (ii) Pursuant to lock-ins deeds entered into by each of (i) Aasim Khan, (ii) Matthew West and (iii) Nikolas West and the Company and Hybridan dated 23 April 2021 in respect of shares issued pursuant to a pre-IPO funding round, such Initial Subscribers and the Company have agreed to the following lock-up arrangements:
- (1) for a 12 month lock-up period from the date of Admission (the "**Initial Period**"), the relevant Initial Subscribers have agreed that, subject to certain customary exceptions, they will not, and will procure that a person who is a connected person will not, directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the pre-IPO funding round and held by each of them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing; and
 - (2) for a further 12 months after the Initial Period ends, the relevant Initial Subscribers have undertaken that, subject to certain customary exceptions, they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares issued to them pursuant to the pre-IPO funding round and held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than through the Company's broker/AQSE Corporate Adviser may determine and in such manner as such broker may in its discretion determine with a view to maintaining an orderly market.
- (iii) In addition, each of Chris Akers and GIMA Group Inc. have entered into a lock-in deed with the Company and Hybridan dated 23 April 2021 in respect of certain shares issued:
- (i) pursuant to the Founders' funding round referred to in paragraph 16.2(i) above and
 - (ii) in respect of shares issued pursuant to the pre-IPO funding round referred to in

paragraph 16.2(ii) above on the same terms as the lock-in deeds referred to in paragraph 16.2(i) and 16.2(ii) above.

16.3 **Broker Engagement Letter and AQSE Corporate Adviser Agreement**

Hybridan was appointed as broker and AQSE Corporate Adviser to the Company with effect from Admission pursuant to the terms of its engagement letter dated 23 April 2021.

Pursuant to the terms of its engagement, the Company has agreed to pay to Hybridan in respect of the services provided by Hybridan during the Company's initial public offering process: (a) a fee of £75,000 (plus any applicable VAT); and (b) the issue of warrants for Ordinary Shares in such number as would represent £75,000 (being 7,500,000), exercisable at the Issue Price and expiring on the fifth anniversary of grant. A summary of the Hybridan Warrant Instrument is set out at paragraph 16.5 below.

The Company has also agreed to pay a fee of £20,000 per annum (plus any applicable VAT) to Hybridan for the first 12 months of the engagement in respect of its appointment as broker to the Company. In addition, the Company has agreed to pay a fee of £30,000 per annum (plus any applicable VAT) to Hybridan for the first 12 months of the engagement in respect of its appointment as AQSE Corporate Adviser to the Company.

The appointment of Hybridan as: (a) broker to the Company will continue unless and until terminated by either party giving to the other not less than three months' prior written notice to the other party; and (b) AQSE Corporate Adviser to the Company will continue unless and until terminated by either party giving to the other not less than three months' prior written notice to the other party.

16.4 **Warrant Instrument**

The Company created a warrant instrument by deed poll dated 4 September 2020 (as amended by way of deed of amendment dated 12 November 2020), pursuant to which the Company has issued to each of the Initial Subscribers warrants over up to 50 million Ordinary Shares, exercisable at £0.005 (subject to adjustment as provided in the conditions to the Warrant Instrument) (the "**Warrants**"). The Warrants are exercisable in whole or in part within a period commencing on the day after the 1 year anniversary of Admission and ending on the date that is the 5 year anniversary of Admission. Any Warrants not exercised by midnight on the date that is five years from Admission shall expire. No applications will be made for any of the Warrants to be listed on any stock exchange.

16.5 **Hybridan Warrant Instrument**

Pursuant to the terms of Hybridan's engagement and as described in paragraph 16.3 above, the Company created a warrant instrument by deed poll dated 23 April 2021, pursuant to which the Company has issued to Hybridan warrants over 7,500,000 Ordinary Shares, exercisable at the Issue Price (the "**Broker Warrants**") and which if fully exercised would represent a total aggregate price of £75,000. The Broker Warrants are exercisable in whole or in part within a period of five years from Admission although they may not be exercised during the first 12 months following their grant.

Any Broker Warrants not exercised by midnight on the date that is five years from Admission shall expire. No applications will be made for any of the Hybridan Warrants to be listed on any stock exchange.

16.6 **Subscription Letters**

The Company has entered into each of the Subscription Letters with the Subscribers. Each Subscription Letter was entered into on the same terms as the others.

The Subscription is conditional on:

- (i) Admission occurring by no later than 5.00 p.m. on 30 April 2021;
- (ii) the Placing completing; and
- (iii) the Subscription Letters not being terminated in accordance with their terms before Admission becomes effective.

The Subscription is not being underwritten.

The Subscription Letters contain warranties given by each Subscriber which are customary for

an agreement of this nature.

The Company has the right, in its sole discretion, to terminate the Subscription, where it is no longer practicable or advisable to carry out the Subscription due to a change in market, economic or financial conditions. Save with the written consent of the Company, none of the Subscribers have the right to terminate or rescind their Subscription Letter in any circumstances.

If the conditions to the Subscription are not fulfilled by 30 April 2021, the Subscription Letters will automatically terminate, the Subscription will not proceed and the application for Admission will not proceed. In such event, subscription monies received will be returned to each relevant Subscriber by electronic transfer to the account from which payment was originally received at the Subscriber's risk and without interest.

16.7 **Placing Letters**

Hybridan has entered into each of the Placing Letters with the Placees. Each Placing Letter was entered into on the same terms as the others.

Under the terms of each Placing Letter, each Placee subscribed for Placing Shares.

The Placing is conditional on:

- (i) Admission occurring by no later than 30 April 2021;
- (ii) the Subscription having completed; and
- (iii) the Placing Letters not being terminated in accordance with their terms before Admission.

The Placing is not being underwritten.

Hybridan has the right, in its sole discretion, to terminate the Placing, where it is no longer practicable or advisable to carry out the Placing due to a change in market, economic or financial conditions. None of the Placees have the right to terminate or rescind their Placing Letter in any circumstances.

If the conditions to the Placing are not fulfilled by 30 April 2021, the Placing Letters will automatically terminate, the Placing will not proceed and the application for Admission will not proceed. In such event, placing monies received will be returned to each relevant Placee by electronic transfer to the account from which payment was originally received at the Placee's risk and without interest.

16.8 **Placing Agreement**

The Company, the Directors and Hybridan have entered into the Placing Agreement, under which Hybridan has agreed, subject to certain conditions (including Admission), as agent for the Company to use its reasonable endeavours to procure Placees for the Placing Shares at the Issue Price. The Placing Agreement is conditional on, *inter alia*, Admission occurring by 8.00 a.m. on 26 April 2021 or by such later date as is agreed in writing between the Company and Hybridan, being not later than 8.00 a.m. on 7 May 2021.

The Placing Agreement contains certain customary representations and warranties from the Company and the Directors, in favour of Hybridan, as to the accuracy of the information in this document and certain other matters concerning the Company and an indemnity from the Company to Hybridan and its affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the Placing and Admission.

The Company has agreed to: (i) pay Hybridan a commission of 6.0 per cent. of the aggregate value at the Issue Price of the Placing Shares subscribed for by investors introduced by Hybridan (other than the Directors), (ii) pay Hybridan a commission of 2.0 per cent. of the aggregate value at the Issue Price of the Placing Shares subscribed for by investors not introduced by Hybridan but settled by Hybridan (other than the Directors), and (iii) pay certain costs and expenses of the Placing, together in each case, with any applicable VAT.

Hybridan has the right to terminate the Placing Agreement prior to Admission in certain circumstances, including, *inter alia*, any breach by the Company or any Director of any of their respective obligations or warranties in the Placing Agreement or in certain *force majeure* situations. If the Placing Agreement is terminated, the Issue will not proceed and the application for Admission will be withdrawn. The Placing Agreement is governed by English law and is

subject to the exclusive jurisdiction of the English courts.

16.9 **Registrar Agreement**

The Company and the Registrar have entered into the Registrar Agreement dated 23 April 2021 pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs. The Registrar is entitled to receive a fixed annual fee of £4,000 for the provision of its services under the Registrar Agreement. In addition to the annual fee, the Registrar is entitled to payment of additional fees for any services not included in the annual registration fee, as well as reimbursement for all reasonable out of pocket expenses incurred by it in the performance of its services.

The Registrar Agreement shall continue for an initial period of three years and thereafter unless and until terminated upon written notice by either party, by giving not less than three months' written notice. In addition, the agreement may be terminated as soon as reasonably practicable if, inter alia, either party: (i) commits a material breach of its obligations under the agreement which has not been remedied within 14 days of receipt of a written notice requesting the same, (ii) a resolution is passed or an order made for the winding-up, dissolution or administration of either party; or (iii) Admission does not become effective by 31 May 2021.

The Company has agreed to indemnify the Registrar against any damages, losses, costs, claims or expenses incurred by the Registrar in connection with or arising out of the Registrar's performance of its obligations in accordance with the terms of the Registrar Agreement. The Registrar Agreement is governed by English law. The Registrar will, in relation to Ordinary Shares in certificated form, be responsible for keeping the Company's share records.

16.10 **Escrow Agent Agreement**

The Company and the Escrow Agent have entered into the Escrow Agent Agreement dated 15 April 2021 pursuant to which the Escrow Agent has agreed to provide trust services to the Company in connection with the Subscription. Under the agreement, the Escrow Agent has agreed to credit to an interest-bearing deposit account, the proceeds of the Subscription pending Admission. The Escrow Agent will hold the proceeds on trust until Admission. In the event that: (a) Admission has not occurred by 30 April 2021 or (b) the Escrow Agent is notified that Admission will not occur, the Escrow Agent will return the proceeds to the bank account(s) from where the funds came. Otherwise, upon Admission, the Escrow Agent will transfer the funds (less its fees) to the Company's bank account.

In the event the proceeds are transferred by the Escrow Agent to the Company, the Escrow Agent is entitled to a one-off fee payable by the Company equivalent to the lower of: (a) 0.5 per cent. of the amount deposited into the trust account on behalf of the Company or (b) £2,500. If however, the proceeds are returned to the Subscribers as set out above, no fee will be payable to the Escrow Agent.

The Company has agreed to indemnify the Escrow Agent and hold it harmless against any and all liabilities incurred by the Escrow Agent as a result of actions taken pursuant to the Escrow Agent Agreement, save to the extent that the same arises from the Escrow Agent's wilful misconduct, bad faith, negligence or by its breach of the terms of the Escrow Agent Agreement.

17 **CONSENTS AND RELATED MATTERS**

17.1 Adler Shine LLP has given and not withdrawn its written consent to the inclusion in this document of its reports in parts 3 and 4 of this document, and the references to them and to its name and has authorised the contents of those parts of this document which comprise its reports and its letters. To the best of the knowledge of Adler Shine LLP, the information contained in their reports in parts 3 and 4 of this document is in accordance with the facts and make no omission likely to affect their import. Adler Shine LLP has no material interest in the Company.

17.2 Hybridan has given and not withdrawn its written consent to the inclusion in this document of references to its name.

18 **EXPENSES AND NET PROCEEDS**

18.1 The total costs and expenses of and incidental to the Issue and the Admission, including the fees

payable to Aquis Stock Exchange are estimated to amount to approximately £502,000 (exclusive of VAT) and are payable by the Company.

19 RELATED PARTY TRANSACTIONS

- 19.1 From 14 January 2020 (being the Company's date of incorporation) up to and including the date of this document, the Company has not entered into any related party transactions other than the Directors' Service Agreements and Letters of Appointments referred to in paragraph 8 above.

20 ACCOUNTS AND ANNUAL GENERAL MEETINGS

- 20.1 The Company's first annual report and accounts will be made up to 31 January 2021 and on that same date each year thereafter. The Company will prepare its first unaudited interim report for the period from 1 February 2021 to 31 July 2021 and it is expected the Company will publish these interim results by no later than 31 October 2021. It is expected that the Company will make public its annual report and accounts within six months of each financial year end (or earlier if possible). It is expected that the Company will make public its unaudited interim reports within three months of the end of each interim period.
- 20.2 The Company shall hold its first annual general meeting within six months of the end of the previous accounting period, being 31 July 2021. Further details on annual general meetings are contained in paragraph 6.5.11 above.

21 AVAILABILITY OF THIS DOCUMENT

- 21.1 This document will be published in electronic form and be available on the Company's website at www.semperfortisesports.com, subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

PART 6 - DEFINITIONS

In this document the following expressions have the following meanings, unless the context requires otherwise:

"Admission"	means admission of the issued and to be issued Ordinary Shares to trading on the Access Segment of the AQSE Growth Market becoming effective in accordance with the AQSE Rules;
"AQSE Growth Market"	means the Access segment of the AQSE Growth Market operated by Aquis Stock Exchange;
"AQSE Rules"	means the rules contained in the AQSE Growth Market Access Rulebook, which set out the admission requirements and continuing obligations of companies seeking admission to and whose securities are admitted to trading on the Access segment of the AQSE Growth Market issued by Aquis Stock Exchange, and where relevant to the preparation of this document, the AQSE Growth Market - Rules for Issuers, December 2020;
"Aquis Stock Exchange"	Aquis Stock Exchange Limited, a company incorporated in England and Wales with registered number 4309969;
"Articles"	means the articles of association of the Company in force from time to time;
"Board" or "Directors"	means the directors of the Company;
"Broker Engagement Letter"	means the engagement letter between the Company and Hybridan dated 23 April 2021, a summary of which is set out in paragraph 16.3 of part 5;
"Broker Warrants"	has the meaning given to it in paragraph 16.5 of Part 5 of this document;
"Business Day"	means a day (other than a Saturday or a Sunday) on which the banks are open for business in London;
"certificated" or "in certificated form"	means an Ordinary Share which is not in uncertificated form;
"City Code"	means the City Code on Takeovers and Mergers;
"Company"	means Semper Fortis Esports plc;
"Companies Act"	means the Companies Act 2006, as amended;
"Connected Persons"	has the meaning given to it in sections 252 to 255 (inclusive) of the Companies Act;
"CREST"	means the paperless settlement system operated by Euroclear UK & Ireland under the CREST Regulations to facilitate the transfer of title to, and the holding of, shares in uncertificated form;
"CREST Regulations"	means the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
"Escrow Agent"	means Welbeck Associates Limited;
"Escrow Agent Agreement"	means the agreement between the Company and the Escrow Agent dated 15 April 2021, details of which are set out in paragraph 16.10 of Part 5;

"Euroclear UK & Ireland"	means Euroclear UK & Ireland Limited, a company incorporated in England and Wales under number 2878738 whose registered office is at 33 Cannon Street, London EC4M 5SB;
"EUWA"	means the European Union (Withdrawal) Act 2018;
"Executive Directors"	means the executive directors of the Company whose names are set out in part 1 of this document and "Executive Director" shall mean any one of them;
"FCA"	means the Financial Conduct Authority;
"FSMA"	means the Financial Services and Markets Act 2000, as amended;
"Gambling Act"	means the Gambling Act 2005;
"Group" or "Group"	means the Company and its subsidiary undertakings from time to time;
"Hybridan"	means Hybridan LLP, the Company's broker and AQSE Corporate Adviser;
"Initial Subscribers"	means the persons set out in paragraph 4.9 of Part 5 of this document;
"Issue"	means the Placing and Subscription;
"Issue Price"	means 1 pence per Ordinary Share;
"Issue Shares"	means the Placing Shares and the Subscription Shares;
"Kevin Soltani"	means Raham Soltani who is known as 'Kevin Soltani';
"London Stock Exchange"	means London Stock Exchange plc;
"Market Abuse Regulation" or "MAR"	means the UK version of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the EUWA;
"Member State"	means a sovereign state which is a member of the EU;
"Net Proceeds"	means the funds received from Placees and Subscribers on closing of the Issue, less any expenses paid or payable in connection with Admission and the Issue;
"Non-executive Directors"	means the non-executive directors of the Company whose names are set out in part 1 of this document and Non-executive Director shall mean any one of them;
"Ordinary Shares"	means Ordinary Shares of £0.0001 each in the capital of the Company;
"Placees"	means persons who, having entered into a Placing Letter, have made an irrevocable commitment (conditional on Admission) to subscribe for Placing Shares;
"Placing"	means the placing of Ordinary Shares as described in this document;
"Placing Agreement"	the conditional agreement dated 23 April 2021 between the Company, the Directors and Hybridan relating to the Placing, details of which are set out in paragraph 16.8 of Part 5 of this document;
"Placing Letters"	means the letters entered into between each Placee and Hybridan, pursuant to

which Placees have subscribed for Placing Shares under the Placing;

"Placing Shares"	means the 45,900,000 new Ordinary Shares issued by the Company pursuant to the Placing;
"Prospectus Regulation"	means the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and repealing Directive 2003/71/EC, which is part of UK law by virtue of the EUWA;
"Prospectus Regulation Rules"	means the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market;
"QCA"	means the Quoted Companies Alliance;
"QCA Code"	means the corporate governance code published by the QCA, from time to time;
"Redeemable Deferred Shares"	means the Redeemable Deferred Shares of £1.00 each in the capital of the Company;
"Registrar"	means Link Market Services Limited trading as Link Group or any other registrar appointed by the Company from time to time;
"Registrar Agreement"	means the registrar agreement dated 23 April 2021 between the Company and the Registrar, details of which are set out in paragraph 16.9 of Part 5;
"Subscribers"	means persons who, having entered into a Subscription Letter, have made an irrevocable commitment (conditional on Admission) to subscribe for Subscription Shares;
"Subscription"	means the offer for subscription of up to 209,600,000 new Ordinary Shares at the Issue Price on the terms set out in the Subscription Letters;
"Subscription Letters"	means the letters entered into between each Subscriber and the Company, pursuant to which Subscribers have subscribed for Subscription Shares under the Subscription;
"Subscription Shares"	means the 209,600,000 new Ordinary Shares issued by the Company pursuant to the Subscription;
"subsidiary"	has the meaning given to it in the 2006 Act;
"Top Blokes"	means the team competing in The Rocket League Championship Series X, comprising of Jack Pearton, Andy Landais, Archie Pickthall and Reece Mullins;
"Top Blokes Contracts"	each agreement entered into between the Company and each of: Jack Pearton, Andy Landais, Archie Pickthall and Reece Mullins dated 12 April 2021;
"uncertificated" or "in uncertificated form"	means recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"VAT"	means: (i) within the EU, any tax imposed by any Member State in conformity

with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition;

"Warrants" means the warrants to subscribe for Ordinary Shares issued, or to be issued, pursuant to the Warrant Instrument;

"Warrant Holders" means the holders of Warrants being, as at the date of this document, Emma Louise West, GIMA Group Inc., Keith Harris, Peter Abbey, Max Deeley, Matthew Blom, Chris Akers and Nolan Bushnell;

"Warrant Instrument" means the instrument constituting the Warrants executed by the Company on 4 September 2020 (as amended on 12 November 2020);