SKILLCAST GROUP PLC

Admission Document

Nominated adviser and Broker:

Allenby
CAPITAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), who specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if not, from another appropriately authorised independent adviser.

This Document, which comprises an AIM admission document prepared in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued ordinary share capital of the Company. This Document contains no offer of transferable securities to the public within the meaning of sections 85 and 102B of the FSMA, the Act or otherwise. Accordingly, this Document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Regulation Rules or approved by, or filed with, the FCA or any other competent authority.

Application has been made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective, and dealings in the Ordinary Shares will commence at 8.00 a.m. on 1 December 2021. The Ordinary Shares are not and will not be dealt on any recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange. The New Ordinary Shares to be issued pursuant to the Placing will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

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

The Directors, whose names appear on page 10, and the Company, whose address appears on page 10, accept individual and collective responsibility for the information contained in this Document including individual and collective responsibility for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect the import of such information. In connection with this Document, no person is authorised to give any information or make any representation other than as contained in this Document.

The whole text of this Document should be read. Your attention is drawn in particular to the discussion of risks and other factors which should be considered in connection with an investment in the Ordinary Shares, set out in Part II of this Document.

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skillcast®

Skillcast Group plc

(Incorporated in England and Wales with Company Number 12305914)

Placing of 12,162,163 Ordinary Shares of 0.1 pence each at 37 pence per share and Admission to trading on AIM

Nominated Adviser and Sole Broker

Allenby CAPITAL

Allenby Capital Limited ("Allenby Capital"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and sole broker to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this Document) or otherwise be responsible to any person for providing the protections afforded to clients of Allenby Capital or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this Document. Allenby Capital's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Companies and AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any

Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this Document.

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

In making any investment decision in respect of the Ordinary Shares, no information or representation should be relied upon other than as contained in this Document.

Neither the Company nor the Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Ordinary Shares.

This Document will be available from the Company's website www.skillcast.com.

IMPORTANT INFORMATION

Investment in the Company carries risk. In deciding whether or not to invest in the Ordinary Shares, prospective investors should read the entirety of this Document and, in particular, the section headed "Risk Factors" in Part II of this Document. Investors should ensure that they read the whole of this Document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this Document, including the risk involved. Any decision to purchase Ordinary Shares should be based solely on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or Allenby Capital. Neither the receipt of this Document nor any acquisition of Ordinary Shares made in reliance on this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company or Allenby Capital, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matters. Each prospective investor should consult their own lawyer, financial adviser or tax adviser for legal, financial, business or tax advice in relation to a purchase or proposed purchase of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal, investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of an investment in the Ordinary Shares for an indefinite period of time.

Neither Allenby Capital nor any person acting on their behalf makes any representations or warranties, express or implied, with respect to the completeness, accuracy or verification of this Document, nor does any such person authorise the contents of this Document. No such person accepts any responsibility or liability whatsoever for the contents of this Document or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Placing or Admission. Allenby Capital accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Document or any such statement. Neither Allenby Capital nor any person acting on their behalf accepts any responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to their attention after the date of this Document, and the distribution of this Document shall not constitute a representation by Allenby Capital or any other person that this Document will be updated, reviewed or revised or that any such information will be published or distributed after the date hereof.

Investors who subscribe for or purchase Placing Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Allenby Capital or any person affiliated with Allenby Capital in connection with any investigation of the accuracy of any information contained in this Document for their investment decision; and (ii) they have relied only on the information contained in this Document, and no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this Document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors or Allenby Capital.

The distribution of this Document and issue of Ordinary Shares in certain jurisdictions other than the United Kingdom may be restricted by law. No action has been taken by the Company to permit a public offering of Ordinary Shares or possession or distribution of this Document (or any other offering or publicity materials relating to Ordinary Shares) in any other jurisdiction where action for that purpose may be required, or doing so is restricted, by law. Accordingly, neither this Document nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Document comes are required by the Company and Allenby Capital to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Document does not constitute or form part of an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful.

Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares offered hereby is prohibited. Each offeree of the Placing Shares, by accepting delivery of this Document, agrees to the foregoing.

This Document is exempt from the general restriction on the communication of invitations or inducements to enter into investment activity (within the meaning of section 21 of FSMA) and has therefore not been approved by an authorised person within the meaning of FSMA. This Document is only being communicated to and may only be issued or passed on in the United Kingdom to persons falling within Articles 19 (investment professionals) and 49 (high net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (SI. 2005/No. 1529) or other persons to whom it may otherwise lawfully be communicated ("**Relevant Persons**"). The Company and Allenby Capital will only deal with Relevant Persons in relation to the investments to which this Document relates and those who are not Relevant Persons should not rely on it.

Notice to overseas investors

The Ordinary Shares have not been and will not be registered under the US Securities Act 1933 (the "**US Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act) absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and otherwise in accordance with any applicable securities laws of any state or other jurisdiction of the United States.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Ordinary Shares may not be offered or sold in Australia, Canada, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of Australia, Canada, Japan or the Republic of South Africa.

Data Protection

The information that a prospective investor provides in documents in relation to a purchase of Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about products and services, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales and elsewhere (as required); and

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

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

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

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

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

Forward-looking Statements

This Document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "aims", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Directors concerning, among other things: (i) the Company's objective, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends;(ii) the Company's growth strategy; and (iii) trends in the sectors in which the Company may elect to invest. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and factors which are beyond the Company's control. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Document. In addition, even if the Company's actual performance, results of operations, internal rate of return, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and income flows and the environment in which the Company will operate in future.

Prospective investors should carefully review the risk factors set out in Part II of this Document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this section constitutes a qualification of the working capital statement contained in paragraph 14 of Part V of this Document.

Forward-looking statements contained in this Document apply only as at the date of this Document. Save as required, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Presentation of financial information

The financial information in this Document has been prepared in accordance with the basis of preparation as described in the Group's historical financial information as set out in Part III, Section B of this Document (the "Historical Financial Information") and the Group's unaudited interim financial information as set out in Part IV of this Document ("Unaudited Interim Financial Information"). The accounting policies applied to the financial information of the Company are applied consistently in the financial information in this Document. The Historical Financial Information comprises, in respect of the Company, the years ended and as at 31 December 2020, 2019 and 2018. The Unaudited Interim Financial Information comprises, in respect of the Company, the six months ended and as at 30 June 2021 and 2020. The Group's significant accounting policies are set out within the notes to the Historical Financial Information and the Unaudited Interim Financial Information. Unless otherwise stated in this Document, financial information in relation to the Group referred to in this Document has been extracted without material adjustment from the Historical Financial Information and the Unaudited Interim Financial Information or has been extracted from those of the Group's accounting records and its financial reporting and management systems that have been used to prepare that financial information. Prospective investors should ensure that they read the whole of this Document and not only rely on the key information or information summarised within it.

Rounding

Certain financial and statistical information contained in this Document has been rounded to the nearest £1,000, whole number or decimal place. Therefore the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Document reflect calculations based on the underlying information prior to rounding, and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

Third party data

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

Currency presentation

Unless otherwise indicated, all references in this Document to "UK Sterling", "British pound sterling", "sterling", "£", or "pounds" are to the lawful currency of the UK.

Non incorporation of website

The contents of any website of the Company or any other person do not form part of this Document.

Information to Distributors

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

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

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

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

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

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	24 November 2021
Admission and commencement of dealings in Ordinary Shares on AIM	8.00 a.m. on 1 December 2021
CREST members' accounts credited in respect of Ordinary Shares	as soon as reasonably practicable on 1 December 2021
Ordinary Share certificates dispatched	within 10 business days of Admission

The future times and/or dates in this Document are subject to change at the determination of the Company and Allenby Capital and if any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on a regulatory information service. All times are UK times.

ADMISSION AND PLACING STATISTICS

Number of Existing Ordinary Shares	80,000,000
Total number of Placing Shares	12,162,163
– New Ordinary Shares	9,459,460
– Sale Shares	2,702,703
Enlarged Share Capital	89,459,460
New Ordinary Shares as a percentage of the Enlarged Share Capital	10.57 per cent.
Options outstanding immediately following Admission	4,690,000
Fully diluted share capital	94,149,460
Placing Price	37 pence
Market capitalisation of the Company at the Placing Price on Admission*	£33.1 million
Gross Proceeds of the Placing receivable by the Company**	£3.5 million
Estimated expenses of the Placing and Admission**	£0.77 million
LEI code	213800OV1WLNFL7YRY20
ISIN	GB00BNLXS042
SEDOL	BNLXS04
EPIC/TIDM	SKL

* The market capitalisation of the Group at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will at any given time equal or exceed the Placing Price.

** The expenses of the Placing will be funded entirely from the Group's existing cash resources.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Richard John Amos	*Non-Executive Chairman*
	Vivek Singh Dodd	*Chief Executive Officer*
	Catriona Marie Razic	*Chief Commercial Officer*
	Anthony Edward Miller	*Chief Technical Officer*
	Christopher Mark Backhouse	*Chief Financial Officer*
	Isabel Josephine Sutherland Napper	*Senior Independent Director*
	Sally-ann Patricia Tilleray	*Non-Executive Director*
	All of whose business address is at the Company's registered office	
Company Secretary	MSP Corporate Services Limited	
Registered office	80 Leadenhall Street London EC3A 3DH	
Website	www.skillcast.com	
Nominated adviser and broker	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB	
Auditors	Crowe UK LLP 55 Ludgate Hill London EC4M 7JW	
Reporting Accountants	Crowe UK LLP 55 Ludgate Hill London EC4M 7JW	
Solicitors to the Company – *UK*	Mills & Reeve LLP Botanic House 100 Hills Road Cambridge CB2 1PH	
Solicitors to the Company – *Malta*	Camilleri Preziosi Level 3, Valletta Buildings South Street Valletta VLT 1103 Malta	
Solicitors to the Nominated adviser	Addleshaw Goddard LLP 60 Chiswell Street London EC1Y 4AG	
Receiving Agent	Link Group Corporate Actions Central Square 29 Wellington Street Leeds LS1 4DL	

Registrars

Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL

DEFINITIONS

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

"Act"	the Companies Act 2006 (as amended)
"Admission"	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"AGM"	annual general meeting
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules for Companies"	the AIM rules for companies published by the London Stock Exchange from time to time
"AIM Rules for Nominated Advisers"	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
"Allenby Capital"	Allenby Capital Limited, a company registered in England and Wales with company number 06706681
"Board"	the board of directors of the Company from time to time
"Brexit"	the United Kingdom's ceasing to be a member of the European Union, including the expiry of the transitional period of membership on 31 December 2020
"City Code" or **"Takeover Code"**	the UK City Code on Takeovers and Mergers, as updated from time to time
"Company"	Skillcast Group plc, a company incorporated in England and Wales with company number 12305914
"Concert Party"	Vivek Dodd, Catriona Razic, Anthony Miller, Morten Damsleth, Jitka Dodd and Gurmakh Minhas
"COVID pandemic"	the global pandemic of coronavirus disease 2019 (also known as COVID-19)
"CREST"	the relevant system, as defined in the CREST Regulations, for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
"CREST Regulations"	the Uncertificated Securities Regulations 2001 of the UK (SI 2001 No. 3755) (as amended)
"DAX 30"	a stock market index consisting of the 30 largest German blue chip companies trading on the Frankfurt Stock Exchange
"Deed of Election"	a deed of election entered into by each of the Selling Shareholders appointing the Company as his, her or its agent to sell Sale Shares in the Placing, summary details of which are set out in paragraph 11 of Part V of this Document
"Date of Grant"	the date on which the EMI Option is granted or to be granted under the EMI Plan

"Directors"	the directors of the Company on Admission, whose names are set out on page 10 of this Document or, as the context requires, the directors of the Company from time to time
"Disclosure Guidance and Transparency Rules" or **"DTR"**	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA (as amended)
"Document"	this admission document
"EIS"	the Enterprise Investment Scheme, as set out in Part 5 of the Income Tax Act 2007 and Schedule 5B Taxation of Chargeable Gains Act 1992, as amended from time to time
"EMI"	Enterprise Management Incentive Scheme pursuant to Chapter 9 of Part 7 and Schedule 5, ITEPA 2003
"EMI Options"	options which meet the conditions of Schedule 5, ITEPA 2003
"EMI Option Holder"	the holder of an EMI Option
"EMI Plan"	the plan adopted on 23 November 2021 being the Skillcast Group plc EMI/NQ Share Option Plan as described in paragraph 9 of Part V of this Document
"Enlarged Share Capital"	the issued share capital of the Company on Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
"Euro"	the lawful currency of the 19 member states of the eurozone
"Euroclear"	Euroclear UK & International Limited, the operator of CREST
"EUWA"	the European Union (Withdrawal) Act 2018 (as amended)
"Executive Directors"	Vivek Dodd, Catriona Razic, Anthony Miller and Chris Backhouse
"Exercise Price"	the price at which each Ordinary Share subject to an EMI Option may be acquired on the exercise of that Option which, if Ordinary Shares are to be newly issued to satisfy the Option, may not be less than the nominal value of an Ordinary Share
"Existing Ordinary Shares"	the 80,000,000 Ordinary Shares in issue at the date of this Document
"FCA"	the UK Financial Conduct Authority, the statutory regulator under FSMA responsible for the regulation of the United Kingdom financial services industry
"Founders"	Vivek Dodd, Catriona Razic, Anthony Miller and Morten Damsleth
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"**FTSE 100 Index**"	a stock market index consisting of the 100 largest companies by market capitalisation listed on the London Stock Exchange
"Group"	the Company together with its subsidiaries from time to time
"HMRC"	Her Majesty's Revenue & Customs
"Historical Financial Information of the Group"	the audited historical financial information of the Group for the three years ended 31 December 2020, as set out in Part III of this Document

"IFRS"	the International Financial Reporting Standards as adopted by the International Accounting Standards Board
"Inmarkets Malta"	Inmarkets International Limited, a company incorporated in Malta with registration number C 39269
"Inmarkets UK"	Inmarkets Limited, a company incorporated in England and Wales with company number 04267842
"ITEPA 2003"	Income Tax (Earnings and Pensions) Act 2003
"Interim Financial Information of the Group"	The unaudited interim historical financial information of the Group for the six months ended 30 June 2020 and 30 June 2021, as set out in Part IV of this document
"Locked-In Parties"	Vivek Dodd, Jitka Dodd, Catriona Razic and Anthony Miller, who are subject to lock-in agreements, as summarised in paragraph 11 of Part V of this Document
"Lock-in Agreements"	the lock-in agreements between the Company, Allenby Capital and each of the Locked-in Parties summary details of which are set out in paragraph 11 of Part V of this Document
"London Stock Exchange" or **"LSE"**	London Stock Exchange Plc
"MAR"	means the UK version of the Market Abuse Regulation (Regulation 596/2014) which is part of English law by virtue of EUWA (as amended)
"New Articles"	the articles of association of the Company which were adopted on 22 July 2021 to take effect on Admission
"New Ordinary Shares"	the 9,459,460 new Ordinary Shares issued pursuant to the Placing
"Official List"	the Official List of the UK Listing Authority
"Operating Subsidiaries"	the operating subsidiaries of the Company, being Inmarkets UK and Inmarkets Malta (each being an "**Operating Subsidiary**")
"Option"	a right to acquire Ordinary Shares granted under the EMI Plan
"Ordinary Shares"	the ordinary shares of £0.001 each in the Company
"Panel"	the UK Panel on Takeover and Mergers, the regulator of the Takeover Code
"Placees"	proposed subscribers for or purchasers of (as applicable) Placing Shares at the Placing Price in the Placing
"Placing"	the proposed conditional placing of the Placing Shares at the Placing Price with Placees pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement dated 24 November 2021 between: (1) the Company; (2) Allenby Capital; and (3) the Directors, relating to the Placing, further details of which are set out in paragraph 11 of Part V of this Document
"Placing Price"	37 pence per Placing Share
"Placing Shares"	together, the New Ordinary Shares and the Sale Shares, which are being allotted or sold to the Placees pursuant to the Placing

"PRA"	the Prudential Regulation Authority, a unit of the Bank of England
"Prospectus Regulation Rules"	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA (as amended)
"QCA Code"	the Quoted Companies Alliance's Corporate Governance Code published from time to time
"Receiving Agent"	Link Market Services Limited, whose trading name is Link Group
"Registrars"	Link Market Services Limited, whose trading name is Link Group
"Relationship Agreement"	the agreement between Vivek Dodd, the Company and Allenby Capital as summarised in paragraph 11 of Part V of this Document
"Sale Shares"	the 2,702,703 Existing Ordinary Shares being sold to Placees on behalf of the Selling Shareholders pursuant to the Placing
"Selling Shareholders"	Vivek Dodd, Catriona Razic, Anthony Miller and Gurmakh Minhas (each being a "**Selling Shareholder**")
"Skillcast"	the business operated by the Company and the Subsidiaries
"Shareholders"	means the holders of shares in the capital of the Company from time to time
"subsidiary"	as defined in section 1159 of the Act and "**subsidiaries**" shall be construed accordingly
"subsidiary undertaking"	as defined in section 1162 of the Act
"UK" or **"United Kingdom"**	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority" or **"UKLA"**	the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA
"uncertificated" or "in uncertificated form"	a share or other security recorded on the relevant register of the relevant company concerned 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 States" or **"US"**	the United States of America, its territories and possessions, any State of America and the District of Columbia
"VAT"	value added tax
"VCT"	a company which is, for the time being, approved as a venture capital trust as defined by Section 259 of the Income Tax Act 2007
"VCT Relief"	the income tax relief available to investors of a VCT
"Voting Rights"	all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting
"£" or **"UK Sterling"** or **"pounds"** or **"Pounds Sterling"**	the lawful currency for the time being of the United Kingdom
"$" or **"USD"**	the lawful currency for the time being of the United States

GLOSSARY OF TECHNICAL TERMS

The following technical terms apply throughout this Document:

"AICC"	Aviation Industry Computer-based Training Committee, a learning technology standard and specification to enable interoperability between a LMS and an e-learning course
"application"	computer software that is designed to carry out specific tasks for the end-user other than the operation of the computing device itself
"B2B"	a vendor that sells products and services primarily to companies for use in their business, as opposed to individual consumers
"B2C"	a vendor that sells products and services primarily to individual consumers
"CAGR"	compound annual growth rate
"cloud"	"cloud" or "cloud-based" refers to applications, storage, services or other resources that users access on their computing device via an internet connection to the provider's servers
"compliance transformation" or **"staff compliance transformation"**	the use of regulatory technology by companies to digitise and typically simplify their compliance with the regulations that are relevant to their operations
"CPD"	continuing professional development, a term used to describe the learning activities professionals engage in to develop and enhance their abilities
"DSE"	display screen equipment
"e-learning"	the use of electronic media and information and communication technologies in education, including all forms of educational technology in learning and teaching
"Enterprise client/customer"	a corporate customer of the Group with employee numbers above 2,000
"ESG"	Environmental, Social and Governance
"GRC"	Governance, Risk and Compliance, an umbrella term for an organisation's approach to corporate governance, risk management and compliance with laws, regulations and standards
"IP / IPR"	Intellectual Property / Intellectual Property Rights
"LMS"	learning management system, a software application for delivering training courses and tracking, scoring and reporting the performance of the learners on those courses
"open-source software"	computer software provided under a license that grants users the right to use, change, and distribute the software for any purpose without charge
"OTS"	off-the-shelf, a product that is not bespoke or made to order

"OTS course"	off-the-shelf course, the Group's courses that can be used by a client as they are or, with some customisation, can be tailored to their business
"Policy Hub"	the Group's tool for policy management and attestation as described further in paragraph 6 of Part I of this Document
"Regtech" or **"regulatory technology"**	a application or tool that enables companies to manage the business processes required for compliance with regulations
"RoW"	Rest of the World
"SaaS"	software-as-a-service, software licensing and delivery model that vendors use to provide software over the cloud and charge for it on a subscription basis
"SCORM"	Shareable Content Object Reference Model, a set of technical standards and specifications to enable interoperability between a LMS and an e-learning course; a successor to AICC
"SELMS"	Skillcast Enterprise Learning Management System, the LMS provided by the Group for managing corporate e-learning programmes
"SHARD"	Shareable, Accessible, Responsive Design, a UI/UX framework that the Group uses for building bespoke and OTS courses for e-learning
"Skillcast Portal"	the SaaS application provided by the Group that features several tools
"SM&CR"	Senior Managers & Certification Regime, a set of rules set by the Financial Conduct Authority in the UK that aim to encourage a culture of personal responsibility and ensure that firms and staff clearly understand where key responsibilities lie
"staff compliance technology"	a subset of Regtech that enables organisations to educate employees and associated persons, and inform, assess and record their activities
"SME"	small and medium-sized enterprises, typically companies with employee numbers of between 20 and 2,000
"tool"	a separately chargeable technology feature within a SaaS application. In the context of the Skillcast Portal, the tools include SELMS, Policy Hub, Compliance Declarations, Survey, Compliance Registers, Training 360, Events Management Tool and SMCR 360
"UI"	User Interface
"UX"	User Experience

ALTERNATIVE PERFORMANCE MEASURES

In relation to the reporting of certain financial information within this Document, the Board has adopted various Alternative Performance Measures. Alternative Performance Measures are financial measures of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS, being the applicable financial reporting framework in respect of the Company. The Board believes that the Alternative Performance Measures contained within this Document assist in providing additional useful information on the underlying trends, performance and financial position of the Group.

The Alternative Performance Measures contained within this Document are unaudited. The Alternative Performance Measures contained within this Document may not be directly comparable with other companies' Alternative Performance Measures, including those in the Group's industry. In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read the Document as a whole and not rely solely on the Alternative Performance Measures, which should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. The Alternative Performance Measures used within this Document relate to past performance. Past performance is not an indication of future results. The following Alternative Performance Measures are used throughout this Document:

"Adjusted EBITDA" Adjusted EBITDA is defined as EBITDA, less the additional administrative expenses incurred in anticipation of the Placing and Admission and after adding back leasehold depreciation and reinstating the related rental charge (reversing the IFRS16 leasehold property treatment). A reconciliation of Adjusted EBITDA to the audited operating profit of the Company is set out in paragraph 8 of Part I of this Document.

"ARR" Annualised Recurring Revenue, the annualised value of the Group's contracted recurring revenue in a given month. Calculated by multiplying the MRR in a given a month by 12.

"EBITDA" EBITDA is defined by the Group as 'earnings before interest, tax, depreciation and amortisation'. A reconciliation of EBITDA to the audited operating profit of the Company is set out in paragraph 8 of Part I of this Document.

"MRR" Monthly Recurring Revenue, defined as the subscription revenue recognised in a month excluding any retrospective upward adjustments that arise at the end of the contract where there have been more subscribers than a client originally contracted for.

PART I

INFORMATION ON THE COMPANY

1. Introduction

Skillcast provides software and content subscriptions and related professional services to enable companies to implement their staff compliance and training obligations. Operating from its two bases, in London and Malta, the Group helps companies across a broad spectrum of industry sectors in the UK, EU and RoW, to train their staff and demonstrate compliance with various laws, regulations, and standards that are relevant for their business.

The Directors believe that a significant portion of expenditure on compliance is non-discretionary and there has been a shift towards cloud-based platforms for staff training and compliance, particularly in light of the increase in remote and hybrid working arising from the COVID pandemic. This shift is commonly described in the industry as "compliance transformation".

The Group has two revenue streams:

– ***Subscriptions*** – recurring revenues from client subscriptions to: (i) the Skillcast Portal – the Group's integrated compliance management application that comes with a broad range of tools, namely SELMS, *Policy Hub*, compliance declarations, surveys, compliance registers, *Training 360,* events *management and SMCR 360*; and (ii) the Skillcast OTS course libraries, namely *Essentials, FCA Compliance, Insurance Compliance and Risk.*

– ***Professional services*** – non-recurring revenues from: (i) bespoke e-learning development projects for Enterprise clients; (ii) translations of those bespoke courses; (iii) customisation of OTS courses for subscription clients; and (iv) other content and technology consultancy.

The Group has been operating for 20 years, and its client base includes several blue-chip companies such as Schroders, Fresnillo, GKN, British Land, Oxford University Press, Vattenfall, Allergan and a number of other constituents of the FTSE 100 Index. Further details on the Group's principal activities are set out in paragraph 6 of Part I of this Document.

The Group has a track record of delivering sustained growth and profitability and generating positive cash flows over the past five years. In the year ended 31 December 2020, the Company generated revenue of £7.3 million, Adjusted EBITDA of £1.1 million and a profit before tax of £1.0 million. In the six months ended 30 June 2021, the Company generated revenue of £3.7 million, Adjusted EBITDA of £0.5 million and profit before tax of £0.3 million.

A significant portion of the Group's revenue is derived from subscription contracts with a 12 month term. The Group uses annual recurring revenue (ARR) as a metric to measure the size of the Group's subscription business. The Group's ARR increased from £4.0 million in June 2020 to £4.5 million in Dec 2020 and £5.1 million in June 2021.

The Group has declared an annual dividend of approximately £0.4 million in respect of the Group's performance in each of the past three financial years and intends to at least maintain its dividend at this level following Admission. Further detail on the Group's historical financial information is summarised in paragraph 8 of Part I of this Document, and set out in Parts III and IV of this Document.

The Company is seeking Admission to raise £3.5 million through the issue of the New Ordinary Shares at the Placing Price. The proceeds of the Placing receivable by the Company, together with the Company's existing cash resources, will be invested in technology development to scale up the Skillcast Portal, implement client self-service, streamline the buyer journey, position its subscriptions on cloud marketplaces and in content marketing to increase market penetration. In addition, a further £1.0 million of Existing Ordinary Shares are being sold on behalf of the Selling Shareholders at the Placing Price pursuant to the Placing. Further details on the Placing and the Company's intended use of proceeds are set out in paragraphs 11 and 12 of Part I of this Document.

2. Key Strengths of the Group

The Directors believe that the Group's key strengths are as follows:

High-growth, resilient market

The Group serves a B2B market for training, policy and compliance technology that displays strong resilience and high levels of non-discretionary spending. The Directors believe that the industry is shifting towards cloud-based platforms for staff training and compliance, particularly in light of the increase in remote and hybrid working arising from the COVID pandemic. Further information on the market in which the Group operates is set out in paragraph 4 of Part I of this Document.

Breadth and depth of product

The Group offers technology, content, and services to assist companies in fulfilling their staff compliance obligations with considerable depth in each of its product lines. The Skillcast Portal is a SaaS application that enables companies to manage e-learning, policy attestations, declarations, disclosures, surveys, and compliance registers in remote and hybrid working environments. The Group offers over 200 OTS courses covering a broad range of staff compliance training topics. The Group's professional services include bespoke development, translations, gamification, adaptive content, learner data capture and consultancy.

Scalable subscription model

The contribution of the content and SaaS subscriptions to the Group's revenues increased from 56 per cent. in 2020 to 63 per cent. in the first half of 2021. The Group's strategic focus seeks to continue this trend. Subscription sales are more profitable and scalable than professional services. They provide the Group with good visibility of earnings and cumulative growth. The Group's ARR from subscriptions increased by 12.7 per cent. during the first half of 2021 from £4.5 million in December 2020 to £5.1 million in June 2021. This was achieved through a combination of up-selling products to existing clients as well as new client wins.

Market position

Skillcast is a leading brand for compliance e-learning in the UK with over 600 clients, growing at an average rate of 18 new clients a month during the period January to August 2021, of which approximately one sixth came through referrals.

In the Directors' opinion, the Group is positioned as a potential leader in the UK in staff compliance technology with the Skillcast Portal, which brings e-learning, policy attestations, declarations/disclosures, surveys, and compliance registers into a single SaaS application. This integration has the following benefits for the Group's clients:

- Consistent administration and UI/UX across the staff compliance tools
- Easier integration with internal IT and human resource systems
- Better data protection and adherence to individual rights as required by GDPR
- Streamlined compliance management and lower risks of gaps in corporate compliance

Skillcast has also established brand recognition and thought leadership with a large audience for its blogs, articles, free courses, and market surveys that have been cited in numerous publications, including The Times, FT, Economist and Forbes.

Proven track record

Skillcast is an historically profitable and cash generative business which has achieved strong organic growth. Despite the impact of the COVID pandemic in 2020, the Group continued to grow revenues and remained profitable whilst accelerating investment in technology. The Group has not received any government funding or debt financing. Nor has it cancelled or deferred any salaries or performance bonuses due to the COVID pandemic. As at 30 June 2021, the Group had a cash balance of £4.6 million.

Customer service

Skillcast has a reputation for customer success, as demonstrated by its consistent not less than 4.9/5.0 rating by clients for customer experience on Feefo[1] for the past four years, for which it has earned the Platinum Trusted Service Award. Clients have also rated the Group highly on other customer review websites, including google.co.uk, capterra.com and elearningindustry.com.

Technology and content IP

The Group's recurring revenues are derived from the subscriptions to the content and technology IP, developed and owned by the Group. Subscription revenue accounted for approximately 63 per cent. of Group revenues during the first half of 2021.

Highly experienced team

The Group's board has significant experience with managing and growing compliance and SaaS businesses, and listed firms. The Founders each have over two decades' experience in delivering e-learning and SaaS solutions and executing projects for blue chip clients. The Founders have worked together since inception and have steered the Group through multiple economic cycles. Chris Backhouse, CFO, has three decades of experience in working with entrepreneurial teams to grow their businesses.

Richard Amos, non-executive Chairman, brings sector and market experience as the ex-Group Chief Financial Officer of a listed legal and compliance publishing and training firm. Isabel Napper, the Senior Independent Director, was a successful lawyer specialising in intellectual property and commercial law. Sally Tilleray, Non-Executive Chair of the Audit Committee, brings the experience of growing a listed global communications firm as the Group COO and CFO. As at the date of this Document, all three of the Company's non-executive directors serve on the boards of companies whose shares are admitted to trading on AIM.

3. History and background

Inmarkets UK, a subsidiary of the Company, was incorporated in 2001 by the Founders and Gurmakh Minhas, a private investor, to provide online training to the UK financial services sector. Later that year, in November 2001, a significant change to the regulatory nature of the UK financial services industry came into effect, which included the adoption of FSMA and the grant of regulatory powers to the Financial Services Authority, the precursor to the FCA. The Group sought to capitalise on this change in regulation by releasing a suite of customisable courses for staff compliance with anti-money laundering, sanctions and other regulations in the financial services sector.

In 2006, the Group commenced operations through another Operating Subsidiary, Inmarkets Malta, to build a centre of client service and e-learning development and broaden its offering to clients outside the UK.

Between 2008 and 2009, the effects of the global financial crisis had a significant adverse impact on the Group's operations, given the Group's focus at that time on sales to the financial services sector.

In 2011, the Group responded to the Bribery Act by launching corporate compliance courses to diversify beyond the financial services sector.

Between 2015 and 2016, the Group entered a new growth phase by adopting a SaaS subscription model for providing LMS and course libraries.

In 2019, the Group commenced investment in its technology to develop Regtech tools to serve the needs of its clients. It also launched SMCR 360, a set of Regtech tools for financial services firms to manage their SM&CR obligations and record-keeping requirements. Later that year, the Group incorporated the Company as the ultimate parent company to move its seat of control from Malta to the UK.

In 2020, the Group launched its intelligent learning approach featuring personalisation, adaptive content, gamification and data analytics.

[1] https://www.feefo.com/en-GB/reviews/skillcast

In 2021, the Group launched a hybrid DSE self-assessment tool to help companies provide workstation health and safety in multiple locations as they transitioned to hybrid working.

The Group has grown organically without any external funding. The Directors now intend to scale up the business significantly to become a leader in staff compliance technology in the UK and EU. The Placing and Admission will help to achieve this vision.

4. Market overview

Compliance is a significant and growing non-discretionary cost for companies, particularly those in highly regulated sectors, such as financial services. Companies are required to record, monitor, analyse and evidence an increasing range of employee activities. Remote and hybrid working trends are increasing the logistical challenges associated with these requirements. A 2020 study by Gartner, Inc.[2] found that the COVID pandemic has significantly increased the workload faced by legal and compliance teams as they come to terms with new risk issues and an increasingly remote work environment.

Compliance transformation

The traditional approach to compliance is paper-based, reactive and focused on breach remediation. The Directors believe that this approach is no longer fit for purpose given the lower tolerance of corporate misconduct by regulators, investors, and society. Compliance transformation is the move to a technology-enabled approach that simplifies, automates and improves regulatory compliance, and uses data analysis and proactive action to reduce the risk of regulatory violations. Staff compliance transformation is a subset of this trend, which involves leveraging technology to make compliance activities, such as e-learning, policy attestations, annual disclosures, declarations, gifts registers and whistleblowing more accessible and convenient for employees.

Market size and spending trends

GRC 20/20 Research, LLC[3] estimated that the size of the global GRC technology market in 2019 was $10.4 billion having grown at a three-year CAGR rate of between 10 and 25 per cent to 2019. It further estimated that the size of the compliance management market segment in 2019 was $0.7 billion with a forecast CAGR of between 15 and 20 per cent. over the preceeding three years, and the size of the policy and training management market segment was $0.5 billion in 2019 with CAGR of between 20 and 25 per cent. for the preceeding three years.

IBISWorld[4] estimated that the online education and training market in the UK, in which the Group operates, generated an annual industry revenue of £3.8 billion in 2020-21 and is forecast to grow with a CAGR of 8.5 per cent. in the five years to 2025-26 to £5.7 billion.

In a study of 117 organisations conducted in 2020, Gartner, Inc.[2] reported that compliance spending per employee by participants in the survey increased by 42 per cent. between 2017 to 2019 from $114 to $162. The study identified that, whilst the overall spending didn't grow further in 2020, there was a shift from internal headcount in compliance to technology, training, and external experts. The study also identified that the median compliance department intended to increase its spending on external experts and services by 30 per cent., compliance technology expenses by 15 per cent. and compliance training and communication vendors spend by 13 per cent.

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[2] Gartner, Inc. – State of the Compliance and Ethics Function Survey, 2020

[3] GRC 20/20 Research, LLC – 2020 State of the GRC Market, August 2020

[4] IBISWorld – Online Education & Training in the UK, February 2021

Competitive landscape

The market for corporate e-learning, compliance courses, and staff compliance tools is highly fragmented, with low barriers to entry. In 2018, the UK Department of Education[5] estimated that there are nearly 400 providers of online learning products in the UK and nearly half have fewer than ten employees or turnover under £2 million.

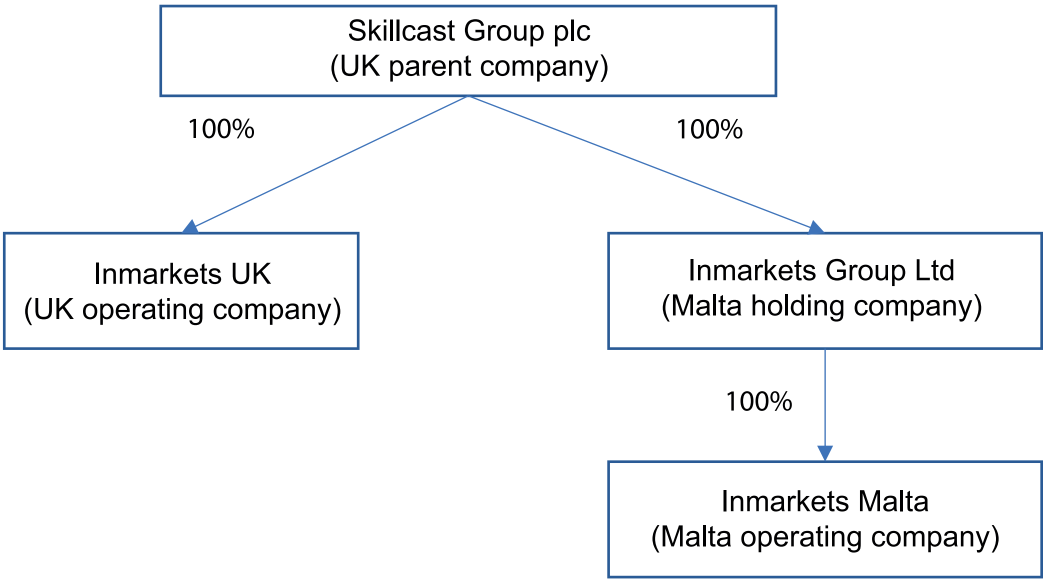
The Group faces competition from several fronts:

- ***Professional services*** – many firms, ranging from sole traders to larger public companies, are competing to provide bespoke content development to the same clients as the Group.
- ***OTS compliance e-learning courses*** – several B2B and B2C suppliers offer courses on the same topics as the Group.
- ***Learning Management Systems*** – many firms provide LMSs suitable for education and corporate training, including compliance e-learning.
- ***Regtech*** – several suppliers also provide staff compliance tools similar to those that the Group offers in its Skillcast Portal.

The Directors believe that the Group's breadth and depth of offering, ability to integrate multiple compliance processes on a single SaaS application and pricing give it a competitive edge in the marketplace for staff compliance technology.

5. Group Structure

The organizational structure of the Group is as follows:



The Company is the holding company of the Group, which has an Operating Subsidiary in the UK and one in Malta, both of which are engaged in the Group's core business activities. Inmarkets UK employs the Group's Technology department, substantially all of the Commercial department and certain members of the Operations department. Inmarkets Malta employs the majority of the members of the Operations and Finance departments. Inmarkets Group Limited acts as an intermediate holding company of Inmarkets Malta.

[5] UK Department of Education – Review of the online learning and artificial Intelligence education market, July 2018

6. Principal activities

Products and services

The Group derives revenues from subscriptions for its content and SaaS products as well as the provision of professional services for the development, translation, and customisation of online content. These are typically delivered via the Skillcast Portal.

Content subscriptions

The Group provides a range of OTS course libraries on annual subscriptions. These libraries are targeted at SMEs in the UK seeking affordable e-learning courses that can be deployed straightforwardly and at short notice to train their employees. Together, the Group's OTS course library contains over 200 self-study courses on topics including financial crime, data protection, equality, health and safety, GRC, ESG, and FCA regulations.

The Group employs in-house content writers, instructional designers, UI/UX designers, external compliance experts and legal advisers to create, review, and update the content of the OTS courses. The content is generic and serves as a template for the clients to customise and make it fit the nature of their operations, risk assessment and business process. In some cases, the generic course may be used by a client with little or no amendment. In other cases, a client may make more substantial changes to the content itself prior to delivery to its targeted audience. The Group does not provide any legal or regulatory advice and, in its client engagement terms, excludes any responsibility to ensure that the content is fit for purpose for any particular client.

Typically, the OTS courses feature interactive exercises to enable employees to practice applying their compliance knowledge in real-world settings. They also feature assessments to evaluate employees and enable management to keep records for regulators and internal purposes. Many of the OTS courses are accredited for CPD by The CPD Certification Service.

The majority of clients that subscribe to the OTS course libraries also subscribe to the SELMS, via the Skillcast Portal, to deliver the courses to their staff. These courses comply with the SCORM standard for interoperability between e-learning courses and LMSs. The Group also offers library-only subscriptions to clients that wish to host and deliver these courses on third-party SCORM-compliant LMSs.

A selection of course titles from Skillcast's OTS course library is as follows:

Essentials

- Anti-Money Laundering
- Bribery Prevention
- Code of Conduct
- Competition Law
- Doing Business with Integrity
- Economic Sanctions & Embargoes
- Electronic Communications
- Equality and Diversity for Managers
- Equality and Diversity in the Workplace
- Failure to Prevent Facilitation of Tax Evasion
- Financial Crime Prevention
- Financial Integrity
- Financial Sanctions
- Fraud Prevention
- General Data Protection Regulations
- Healthy Working
- Information Security
- Managing Safely
- Market Abuse Regulations
- Modern Slavery
- Records Management
- Responsible Use of Social Media

FCA Compliance

- AIFM Regulations
- Banking: Conduct of Business Sourcebook (BCOBS)
- Benchmark Code of Conduct
- CASS – Client Money and Client Assets
- Conduct of Business Sourcebook (COBS)
- Complaints Handling
- CONC – Consumer Credit Standards
- Conflicts of Interest in Asset Management
- Ethical Standards in Finance and Investment
- Insurance: Conduct of Business Sourcebook (ICOBS)
- Information Barriers
- Introduction to UK Financial Regulation
- Markets in Financial Instruments Directive II (MiFID II)
- Mortgage Conduct of Business (MCOB)
- Mortgage Credit Directive
- Payment Services Regulations
- Personal Conflicts of Interest
- Principles for Businesses

Essentials

- Safeguarding the Vulnerable
- Sexual Harassment
- Unconscious Bias
- Whistleblowing
- Working Safely FCA Compliance

FCA Compliance

- Prudential Regulations
- Responsible Lending and Affordability
- Senior Management Arrangements Systems and Controls
- SM&CR Overview
- SM&CR Conduct Rules
- Training and Competence
- Treating Customers Fairly
- Undertakings for the Collective Investment in Transferable Securities (UCITS)
- Whistleblowing

Insurance Compliance

- Appointed Representatives
- CASS Client Money and Client Assets
- Claims Handling in General Insurance
- Complaints Handling
- CONC Consumer Credit Sourcebook
- Conduct Risk
- Conflicts of Interest in Insurance
- Contract Certainty
- Ethical Standards in Insurance and Investment
- EU Insurance Distribution Directive (IDD)
- Insurance: Conduct of Business Sourcebook (ICOBS)
- Information Barriers in Insurance
- Insurance Act 2015
- Introduction to Solvency II
- Introduction to UK Financial Regulation
- Managing Compliantly in General Insurance
- PRIIPs Regulation
- Principles for Businesses
- Prudential Regulation
- Senior Insurance Managers Regime (SIMR)
- Senior Management Arrangements Systems and Controls (SYSC)
- Training and Competence
- Treating Customers Fairly
- Whistleblowing Risk

Risk

- Fundamentals of Risk – What is Risk?
- Fundamentals of Risk – Planning for Risk Management
- Fundamentals of Risk – Identification of Risk
- Fundamentals of Risk – Assessment of Risk
- Fundamentals of Risk – Management of Risk
- Introduction to Credit Risk
- Operational Risk Management
- Managing Health and Safety Risk
- Managing Fraud Risk
- Business Continuity Management
- Managing Physical Security
- Business Travel Security

SaaS subscriptions

SaaS subscriptions pertain to the provision of technology products, namely the SELMS, Policy Hub, Compliance Declarations, Surveys, Compliance Registers, Training 360, Events Management Tool and SMCR 360, which are delivered via the Skillcast Portal, the Group's SaaS application. The Skillcast Portal is white-labelled to create a branded one-stop staff compliance portal for the client.

Skillcast Enterprise LMS (SELMS)

The SELMS is a multi-featured LMS available in the Skillcast Portal. It is compliant with the AICC and SCORM e-learning interoperability standards. It can be used by clients to deliver e-learning courses from the Group's OTS course library as well as those provided by other third-party developers that are AICC or SCORM compliant.

The SELMS has been designed specifically for corporate compliance e-learning with dynamic assignments, automatic chase-ups and diagnostic reports. It gives clients the ability to conduct compliance assessments and skills reviews of users with precise control over the makeup of the assessment questions, pass marks, maximum attempts, time limits, cooling-off periods and periodic re-certification.

The key features of the SELMS include:

- Simple user interface with one-click access to e-learning courses
- Data synchronisation with third-party human resource management systems
- Multiple options for single sign-on
- Social learning features
- Ability to assign reports to line managers or compliance officers with one-click access
- Competency map at organisation, department and individual levels to identify knowledge gaps
- Downloadable completion certificates with unique IDs to track and evidence training
- One-click management information reports for line managers
- Multi-lingual delivery

Policy Hub

Policy Hub is a tool available in the Skillcast Portal for policy management and attestation. It enables companies to create, approve and update policies and procedures and distribute them to employees and third parties based on their location, language, department, role and other parameters. It also enables employers to obtain verifiable attestations from the assignees.

The Policy Hub provides organisations with the evidence that their employees and third parties have read and signed up to the corporate's policies and procedures, which can provide a defence for the organisation against some infringements by individual employees.

The key features of the Policy Hub include:

- Simple interface with no end-user training required
- Same management interface as SELMS, and therefore it is familiar to existing Skillcast clients
- Dynamic policy assignments that can work with the same rules as SELMS
- Automatic chase-ups
- One-click management information reports for line managers
- Multi-lingual delivery

Compliance Declarations

The declarations tool is provided in the Skillcast Portal for managing staff declarations/disclosures, such as workstation assessments, conflicts of interest and fit & proper assessments. It enables clients to create intelligent forms for obtaining such disclosures that contain the appropriate questions and supplementary information, remedial steps to deal with non-conformities that are easily resolved, and adaptive logic for asking follow-on questions. Employees and third parties initially complete their declaration and the tool then creates alerts for any non-conformities. The alerts persist until managers close them out after resolving the non-conformities. In this way, the tool enables organisations to streamline the collection and analysis of staff disclosures, comprehensively deal with all non-conformities to reduce risks, and build a robust compliance programme.

The key features of the Compliance Declarations tool include:

- Free templates for certain disclosure forms
- Ability to upload supporting evidence in the submission
- Branching points to personalise the disclosure to each employee
- Multiple submission options
- Automatic chase ups to drive on-time completions

- Real-time reports with analysis of non-conformities at an individual level
- Automatic notifications of potential issues to line managers and compliance teams
- Case management console
- Ability to offer guidance to resolve less critical issues during the filing process

Surveys

Surveys is a tool available in the Skillcast Portal for conducting anonymous surveys on issues such as integrity, diversity, inclusivity, cybersecurity and wellbeing. It enables organisations to create surveys with various question types and adaptive logic for follow-on questions and assign them to employees and third parties to obtain their feedback.

The Survey tool keeps submissions anonymous while tracking completions, eliminating duplicate submissions and chasing individuals who have not provided a response. Another key feature is the ability to create red, amber, and green ratings from the survey responses at the organisation and department levels.

The key features of Skillcast's survey tool include:

- Free templates to build popular surveys
- Branching points to personalise the survey to each respondent
- Adaptive questions where the response to one question can open up another question
- Ability to upload supporting evidence in the survey submission
- Automatic chase ups to promote the collection of the broadest possible number of responses
- Anonymity to survey participants to encourage more honest responses

Compliance Registers

Compliance Registers are online registers available in the Skillcast Portal to record corporate compliance activities such as gifts and hospitality, donations, conflicts, breaches, and whistleblowing. These registers enable companies to create forms for recording such activities and provide employees with a portal to file entries in the register and seek pre-approval if required.

Maintaining registers to record, *inter alia*, breaches, donations and gifts & hospitality is crucial for corporate compliance in a number of industries. The Directors believe that traditional paper-based methods cannot track and approve register entries in a timely and consistent manner. The Group's compliance registers help clients streamline the record-keeping of such activities and implement approval workflows according to a client's corporate policies.

The key features of Skillcast's compliance registers include:

- Ability to customise to corporate policies, procedures and hierarchies
- Ability to submit register entries via mobile or desktop
- Automatic approval or escalation of activities in line with corporate policies
- Audit trail of all register entries and escalation processes

Training 360

Training 360 is a register in the Skillcast Portal for making verified records of various training activities, such as classroom training, sessions with a mentor, practical demonstrations and sessions with outside experts – whether in person or over video conferencing. It enables companies to create activity forms for activities and gives employees a tool for recording their completed activities and earn CPD points using the activity forms.

This tool allows companies to capture training and mentoring activities in their organisation and combine them with e-learning to form a complete training and competence record for their regulatory filings. It also enables companies to run a CPD programme via the module.

The key features of Training 360 include:

- Ability to upload supporting evidence in the submission
- Ability to assign reports to line managers or compliance officers with one-click access
- Workflows for managers to approve and award CPD
- Data synchronisation with third-party human resource management systems

SMCR 360®

SMCR 360® is a toolkit available in the Skillcast Portal designed to help financial services firms in the UK streamline their checks and records for compliance with the SM&CR. This toolkit includes the Policy Hub, Compliance Declarations, Compliance Registers, and Training 360 described above. It also contains two additional registers specific to SM&CR, namely a Senior Managers Register and a Certified Persons Register.

Features of the SMCR 360® toolkit include:

- Streamlined approval of senior managers and annual certification of material risk takers
- Consistent and up to date records ready for audits and enquiries from regulators
- Fit & proper and conflicts management questionnaires with automatic chase-up
- Recording of all Senior Management Functions, Prescribed Responsibilities, Statements of Responsibility, Handover Notes and Responsibilities Maps
- Personal dashboards that show a regulatory profile of each individual, including past training, attestations, declarations, breaches and certifications
- Comprehensive log of all assignments, records and changes
- Support for providing regulatory references to departing employees

Events Management

Events Management is a tool available in the Skillcast Portal to manage live events via classroom or online video, alongside e-learning. It enables companies to create classroom events, take attendance requests, approve them based on rules and synchronise calendars on laptops or mobile phones.

Features of the Events Management module include:

- Audience rules to present events to users based on their job, level, location and other attributes
- Automated email triggers including links to web conferencing services

Professional services

The Group provides a range of services to clients on a project basis for a one-time charge, including the development of bespoke e-learning solutions, content translation and localisation, sale of perpetual licences for readymade content, customisation of OTS course content for subscription clients and other content, technology, and consultancy projects.

The most significant component within the Group's professional services by value is bespoke e-learning development for Enterprise clients in the UK and the EU. The Group has undertaken such projects for over 15 years and has several long-standing clients for this service. Bespoke projects give the Group insight to understand compliance education trends across different sectors and inform the Group's OTS course content strategy.

The Group is certified for ISO 9001 and follows a structured process to ensure good process governance. It specialises in building courses on compliance topics and in deploying the following intelligent learning features:

- Personalisation – the user is asked to identify who they are, what they do and where they work, and their responses are used to personalise the course content to their needs
- Adaptive content – the user is assessed with learning activities at the start and throughout the course, and their performance on these activities is used to make the course shorter or more detailed

- Gamification – storylines, challenges, points, lives, betting and leaderboard are used to engage the audience
- Data capture – data from learning activities and games is used to create competency maps at the individual, team, and organisation level and to drive recommendations for follow-on training and business process improvements

Customers

The Group's customers for its professional services are typically Enterprise clients. They typically engage the Group for project-based work as they require tailored training for their employees. The Group has an extensive blue-chip client base, with companies such as Schroders, Fresnillo, GKN, British Land, Oxford University Press, Vattenfall, Allergan and a number of other constituents of the FTSE 100 Index. Many of the professional services customers have been clients of the Group since its inception 20 years ago.

Customers for the Group's OTS course libraries and SaaS subscriptions are typically SMEs. Additionally, some SMEs engage the Group to customise the OTS courses, which contributes to the professional services revenues.

The Group's customers are from a broad range of industries including financial services, retail, transportation, manufacturing and technology. In 2020, 75 per cent. of the Group's revenues were derived in the UK and 17 per cent. was derived in Europe, with the balance from RoW.

Technology

The Group has developed and continues to build proprietary technology that drives the Skillcast Portal and its features. This technology enables the Group to deliver e-learning and Regtech solutions whilst integrating relevant third-party systems and industry standards, such as SCORM.

The Technology department comprises three teams:

- The Application Development team create and maintain features in the Skillcast Portal. They use a secure software development lifecycle implemented in Azure DevOps.
- The Enterprise Solutions team provide an interface between the Technology department and the Commercial and Operations teams. They design solutions to meet the requirements of existing and prospective customers by selecting and configuring Skillcast features to meet those requirements. They also manage user acceptance testing and create supporting documentation.
- The IT Infrastructure team are responsible for providing a secure, high availability production environment for the Group's SaaS products.

Know-how

In delivering SaaS and bespoke solutions for the past two decades, the Group has accumulated substantial business know-how in the form of highly trained personnel, systems, procedures and tools that enable it to create intelligent learning experiences of the kind that are usually challenging with traditional OTS software. For instance, the Group's SHARD UI/UX framework ensures that its e-learning courses automatically reflect client branding and style and provide accessibility for the visually impaired and responsiveness to the viewing device.

Office locations

The Group operates from its offices in London and Malta with a hybrid working model that allows staff to work from home on certain days. The Group's office in the City of London is within walkable distance of many of its financial services clients, who accounted for over half of the Group's revenues in 2020. The Group's presence in Malta has enabled Skillcast to mitigate any adverse impact of Brexit and facilitate access to clients in the EU.

Sales and marketing

The Group has implemented a content marketing strategy, populating its website with carefully curated blogs and resources, to establish brand recognition and thought leadership with compliance professionals. This marketing operation is earmarked for significant investment to further build on the Group's success.

The sales department is organised into four specialist teams, each headed by an experienced professional. First in line in the sales process are Sales Development Reps who qualify marketing leads coming in from the website and other channels, and prospect into target lists to develop new sales opportunities. They pass these leads to Business Development Managers who lead discovery calls, demonstrate the Group's solutions and close the sales. The new clients are assigned Account Managers responsible for deployment, ongoing client management, renewals, and upsell based on client needs. A separate team of Key Account Managers are responsible for managing the Group's relationship with its top Enterprise clients.

7. Growth Strategy

The Group's strategic focus is to grow its ARR, which is derived from content and SaaS subscriptions. The Directors believe that the growth will be driven by:

- Increasing the client acquisition rate by expanding content marketing, thought leadership, referrals from customers and targeted outreach in the financial services sector.
- Expanding the sales of the Group's SaaS subscriptions in the EU. The Group presently sells subscription products mainly to clients in the UK, although some of those clients may have end-users in the EU and RoW.
- Capitalising on up-selling opportunities, utilising the Group's attentive account management and ability to sell the Regtech add-ons to existing e-learning clients and help them to address staff compliance issues, such as obtaining policy attestations and recording gifts and hospitality.
- Maintaining a low client churn rate with the Group's highly responsive and knowledgeable customer service.

The market for staff compliance technology is highly fragmented. Based on surveys conducted for the Group by YouGov in the UK, the Directors believe that the vast majority of companies in the UK have not implemented staff compliance technology for disclosures and compliance registers. Consequently, the Directors believe that there is a substantial market opportunity for the Group as a leading provider of this technology with its Skillcast Portal.

To capitalise on this opportunity, the Directors intend to:

- Migrate the Group's IT infrastructure from co-located physical servers to Microsoft Azure cloud computing services
- Develop the technology to enable client self-service
- Streamline the buyer journey from demonstrations, through pre-sales, to post-sales and onboarding
- Position and promote the Skillcast Portal on cloud marketplaces in the UK and the EU
- Intensify the Group's effort to promote the public Skillcast website as the top destination for compliance blogs, free courses, games and other useful content
- Build a video on demand channel to deepen engagement with individual compliance officers and other senior managers

The Group will continue to provide professional services as they directly support its existing SaaS subscription clients, provide leads for winning new SaaS subscription clients and provide insights that inform the Group's technology and OTS content development. The Group will continue to distinguish its bespoke course development services with its intelligent learning approach that combines adaptive content, personalisation, gamification and data analytics.

As explained above, the Directors intend to grow the business organically by investing in the Group's technology and marketing. However, should an acquisition opportunity arise that could, in the opinion of the Directors, accelerate the Group's growth strategy, then this would be given due consideration.

8. Summary financial information

The following summary of the audited financial information relating to the Group's activities for each of the three years to 31 December 2020 and the Group's unaudited interim results for the six months to 30 June 2021 has been extracted without material adjustment from the financial information on the Group set out in Parts III and IV of this Document. **In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read this Document as a whole and not rely solely on the key or summarised information in this section.**

Summary Statement of Comprehensive Income	*Audited Year ended 31 December 2018 £'000*	*Audited Year ended 31 December 2019 £'000*	*Audited Year ended 31 December 2020 £'000*	*Unaudited Six months ended 30 June 2020 £'000*	*Unaudited Six months ended 30 June 2021 £'000*
Revenue	5,666	6,761	7,293	3,601	3,736
Gross profit	4,264	5,289	5,028	2,526	2,580
Gross margin	75%	78%	69%	70%	69%
Operating profit/(loss)	1,156	1,358	1,033	335	301
Profit/(loss) before tax	1,159	1,338	1,023	328	299
Total comprehensive profit/(loss)	777	1,599	904	262	224

Summary Statement of Financial Position	*Audited Year ended 31 December 2018 £'000*	*Audited Year ended 31 December 2019 £'000*	*Audited Year ended 31 December 2020 £'000*	*Unaudited Six months ended 30 June 2020 £'000*
Non-current assets	99	562	382	390
Current assets	4,261	6,144	7,274	7,068
Total assets	4,360	6,706	7,656	7,458
Equity	2,173	2,973	3,877	3,701
Non-current liabilities	3	298	131	108
Current liabilities	2,184	3,435	3,648	3,649
Equity and liabilities	4,360	6,706	7,656	7,458

Summary Statement of Cash Flows	*Audited Year ended 31 December 2018 £'000*	*Audited Year ended 31 December 2019 £'000*	*Audited Year ended 31 December 2020 £'000*	*Unaudited Six months ended 30 June 2020 £'000*	*Unaudited Six months ended 30 June 2021 £'000*
Cash flows from operating activities	1,359	1,489	1,118	728	1,389
Cash used by investing activities	(67)	(43)	(75)	(36)	(86)
Cash used by financing activities	(300)	(613)	(601)	(533)	(465)
Net increase/(decrease) in cash	992	833	442	159	838
Cash b/fwd	1,533	2,525	3,358	3,358	3,800
Cash c/fwd	2,525	3,358	3,800	3,517	4,638

Non-IAS Information

EBITDA

The Group Financial Information set out in Part III Section B "Historical Financial Information of the Group" and Part IV "Unaudited Interim Financial Information for the six-months ended 30 June 2021" of this Document includes certain financial measures that are not defined or recognised under IAS, including EBITDA. EBITDA is defined by the Group as "earnings before interest, tax, depreciation and amortisation". Audited EBITDA for each of the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the unaudited six-month periods ended 30 June 2020 and 30 June 2021 is as follows:

	Audited Year ended 31 December 2018 £'000	*Audited Year ended 31 December 2019 £'000*	*Audited Year ended 31 December 2020 £'000*	*Unaudited Six months ended 30 June 2020 £'000*	*Unaudited Six months ended 30 June 2021 £'000*
Operating profit/(loss)	1,156	1,358	1,033	335	301
Add back:					
Depreciation	57	257	220	85	79
EBITDA	1,213	1,615	1,253	420	380
EBITDA margin	21%	24%	17%	12%	10%

Adjusted EBITDA

During the year ended 31 December 2020 and the six-month periods ended 30 June 2020 and 30 June 2021, the Group incurred certain administrative expenses in anticipation of the Placing and Admission so as to deliver the anticipated growth in the business post-Admission. Had the decision to undertake the Placing and Admission not been taken by the Group, then such expenditure would not have been incurred.

During the years ended 31 December 2018, 31 December 2019, 31 December 2020 and the six-month periods ended 30 June 2020 and 30 June 2021, the Group incurred leasehold depreciation which is deemed to approximate expenditure on the rental office space.

Adjusted EBITDA is therefore defined as EBITDA, less the additional administrative expenses incurred in anticipation of the Placing and Admission and after adding back leasehold depreciation and reinstating the related rental charge (reversing the IFRS16 leasehold property treatment).

Unaudited Adjusted EBITDA for each of the three years ended 31 December 2018, 31 December 2019, 31 December 2020 and the six-month periods ended 30 June 2020 and 30 June 2021 is as follows:

	Unaudited Year ended 31 December 2018 £'000	*Unaudited Year ended 31 December 2019 £'000*	*Unaudited Year ended 31 December 2020 £'000*	*Unaudited Six months ended 30 June 2020 £'000*	*Unaudited Six months ended 30 June 2021 £'000*
EBITDA	1,213	1,615	1,253	420	380
Deduct:					
Rent equivalent	–	(206)	(209)	(105)	(65)
Add back:					
Non-recurring expenditure	–	–	25	25	172
Adjusted EBITDA	1,213	1,409	1,069	340	487
Adjusted EBITDA margin	21%	21%	15%	9%	13%

Annual Recurring Revenue

ARR is used to assess the performance and trend of subscription revenue. ARR is calculated by multiplying the Monthly Recurring Revenue ("MRR") by 12. MRR is defined as the subscription revenue that was recognised in a month excluding any retrospective upward adjustments that arise at the end of the contract where there have been more subscribers than a client originally contracted for.

	December 2018 £'000	*December 2019 £'000*	*June 2020 £'000*	*December 2020 £'000*	*June 2021 £'000*
ARR	2,998	3,736	4,006	4,486	5,057

9. Current trading and prospects

Since 30 June 2021, the Group has continued to grow subscription revenues and ARR, with several notable subscription orders having been won. The professional services revenues have continued broadly in line with the activity levels seen in the first half of 2021 and the Group has received a contract to build bespoke content for a DAX 30 listed company. Overall, the Group is seeing continued demand for its compliance transformation services from existing and prospective clients and has a strong pipeline in place for the remainder of the year.

In anticipation of Admission and in accordance with its strategy, the Group has continued to invest in growth and innovation by hiring talented staff in several teams.

On 21 October 2021, the Group declared an interim dividend of £0.15 million in respect of the Group's performance in the first half of 2021.

10. Directors and Senior management

The Group's Directors and Senior Management comprise a team with significant experience in steering the business since incorporation and through multiple economic cycles. Details of Skillcast's Directors and Senior Managers are as follows:

Directors

Richard Amos (aged 54), Non-Executive Chairman

Richard is a qualified Chartered Accountant who started his career at EY in 1988 and has subsequently served in several senior finance roles. Over the last 20 years, Richard has served as an executive on the boards of five companies listed on the London Stock Exchange, most recently as Chief Financial Officer of Wilmington plc, Chief Financial Officer of Plant Impact plc and Group Finance Director of Anite plc. He is currently an independent non-executive director at Thruvision plc (AIM: THRU). Richard is a member of the company's audit and remuneration committees.

Vivek Singh Dodd (aged 52), Chief Executive Officer

Vivek is a co-founder of Skillcast. He has been creating regulatory courses and compliance tools for over two decades. Before Skillcast, he worked as an investment banker at JP Morgan, and as a finance and compliance trainer. He has an Masters degree from Massachusetts Institute of Technology, and a Bachelors degree from the Indian Institute of Technology and has been a CFA Charterholder.

Catriona Marie Razic (aged 48), Chief Commercial Officer

Catriona is a co-founder of Skillcast. For over twenty years, she has advised the Group's global clients on their compliance communication strategy. She leads the sales function to offer clients of all sizes Skillcast's solutions for their compliance and learning initiatives. Catriona previously worked in learning and development at Japanese securities house Nikko Securities and at youth development charity Raleigh International. She holds a degree in Psychology and Economics.

Anthony Miller (aged 45), Chief Technical Officer

Anthony is a co-founder of Skillcast. Over the last twenty years, he has led the design and development of the Group's award-winning technology products. He has worked with enterprise customers to deliver transformative training and compliance solutions tailored to their specific requirements. He is responsible for managing the Group's Application Development, IT Infrastructure and Enterprise Solutions teams. He has an Executive MBA from Cass Business School and a BSc in Economics from the London School of Economics.

Christopher Mark Backhouse (aged 64), Chief Financial Officer

Chris joined Skillcast in 2018. He qualified as a Chartered Accountant with KMPG and subsequently worked at Baker Tilly and Ernst & Young. After leaving the accountancy profession in 1993, Chris has spent the majority of his career working as a Chief Financial Officer or Finance Director at a series of listed and venture capital backed businesses. In 2007, he joined an accountancy business that provided part-time finance directors to entrepreneurial business. Subsequently, he co-founded Enterprise FD in 2018, which provides finance and accounting services, including part-time and interim finance directors to a portfolio of client companies.

Isabel Napper (aged 63), Senior Independent Non-Executive Director

Isabel has more than 25 years of experience in advising clients in the technology and healthcare/life science areas, both public and private sector, leading on business development and managing regulatory issues, governance risk and strategic change. Isabel was previously a Partner at the law firm Mills & Reeve LLP, where she acted as legal adviser and company secretary to several boards. Isabel is currently a non-executive director at Tristel plc (AIM: TSTL), SDI Group plc (AIM: SDI) and Keystone Law Group plc (AIM: KEYS). Isabel chairs the Company's remuneration committee and is a member of the Company's audit committee.

Sally Tilleray (aged 59), Independent Non-Executive Director

Sally is a qualified Chartered Institute of Management Accountants (CIMA) accountant and an experienced UK public company director. She has served as Group Chief Operating Officer and Group Chief Financial Officer at Huntsworth plc, the international public relations and healthcare communications group, from 2004 to 2014. She is an experienced marketing service agency executive and has been Non-Executive Chair at Cognito since 2016 and Non-Executive Chair of digital agency, UNRVLD since 2020. She has been Non-Executive Director of NAHL plc (AIM: NAH), the consumer legal-focused marketing and services business, since 2019 and senior independent Non-Executive Director Mind Gym plc (AIM: MIND), an international behavioural science company delivering business improvement solutions to companies across the world since 2018. Sally chairs the Company's audit committee and is a member of the Company's remuneration committee, a role she also holds at both NAHL plc and Mind Gym plc.

Senior management

The following members of senior management form the Company's executive management committee along with the Executive Directors.

Morten Damsleth (aged 47), Chief Operating Officer

Morten is a co-founder of Skillcast. His work is within designing and producing content and procedures that are used throughout Skillcast's operations. He manages Skillcast's Production, Content, and Customer Success teams, focusing on collaboration and communication across departments. He has a BA(Hons) in Graphic and Media Design from London College of Printing (University of the Arts London).

MaryAnn Debattista (aged 60), Group Financial Controller

MaryAnn joined Skillcast in 2016 and has been integral to the development of its financial function. She has over 30 years of experience in business in executive and financial reporting roles, including responsibility for budgeting, payroll, finance/banking, capital projects and Government Grant submissions.

11. Details of the Placing

The Company is proposing to raise £3.5 million by the conditional placing of 9,459,460 New Ordinary Shares pursuant to the Placing. In addition, 2,702,703 Existing Ordinary Shares have been sold to Placees pursuant to the Placing on behalf of the Selling Shareholders at the Placing Price. The New Ordinary Shares are in registered form, and the Enlarged Share Capital will be free from restrictions on transfer.

The New Ordinary Shares will represent approximately 10.57 per cent. of the Enlarged Share Capital on Admission. The New Ordinary Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, made or paid in respect of the Ordinary Shares.

The Placing, which is not underwritten or guaranteed, is conditional, *inter alia*, upon Admission . The Company, the Directors and Allenby Capital have entered into the Placing Agreement relating to the Placing. The principal terms of the Placing Agreement are summarised in paragraph 11 of Part V of this Document.

The Selling Shareholders have each entered into a Deed of Election appointing the Company as his or her agent for the sale of the Sale Shares in the Placing.

12. Reasons for Admission and Use of Placing Proceeds

Reasons for Admission

The Directors believe that the Group has reached a stage of its development where it will benefit from the Company's admission to trading on AIM and that, as well as providing the proceeds of the Placing, this will:

- Enable the acceleration of investment in technology and marketing
- Provide access to further capital should the Group require
- Strengthen the Group's reputation and credibility as a staff compliance technology provider
- Enhance the Group's ability to hire and retain talent

Use of Placing proceeds

The proceeds of the Placing receivable by the Company are expected to total approximately £3.5 million. The expenses of the Placing, which are expected to total £0.77 million, will be funded entirely from the Group's existing cash resources. The Directors intend to use the Placing proceeds, together with the Group's existing cash resources, as follows:

Investment in technology

The Directors intend to use the Placing proceeds to further develop its technology, migrate to cloud computing, implement self-service, streamline the buyer journey, and position its products on complementary cloud marketplaces.

Investment in content marketing

As detailed in paragraph 7 of Part I of this Document, the Directors intend to use the Group's existing cash resources to increase investment in content marketing in order to seek to drive new client acquisitions.

13. Lock-in Agreements and orderly market agreements

The Locked-In Parties, who will hold 72.82 per cent. of the Enlarged Share Capital on Admission, have entered into the Lock-In Agreements, pursuant to which they have undertaken to the Company and Allenby Capital not to dispose of the Ordinary Shares held by themselves at Admission at any time prior to the first anniversary of Admission (the "Lock-in Period"). Certain customary exceptions apply to this obligation.

Furthermore, the Locked-In Parties have also undertaken to the Company and Allenby Capital not to dispose of any Ordinary Shares for the period of 12 months following the expiry of the Lock-in Period otherwise than through Allenby Capital.

In addition, parties who will hold 10.54 per cent. of the Enlarged Share Capital on Admission have undertaken to Allenby Capital that, conditional upon Admission, for a period of 24 months from Admission, save for certain exceptions, they will not sell, transfer or dispose of any interest in the Ordinary Shares held by them without the prior written consent of both the Company and Allenby Capital and any such sale or disposal of Ordinary Shares will generally be effected through Allenby Capital (with a view to ensuring an orderly market in such securities).

Further details on the Lock-in Agreements and orderly market agreements are set out in paragraph 11 of Part V of this Document.

14. Relationship Agreement

Vivek Dodd who, together with his wife, holds 67.05 per cent. of the Existing Ordinary Shares at the date of this Document and will hold 59.36 per cent. of the Enlarged Share Capital on Admission, has, on 24 November 2021, entered into a relationship agreement with the Company and Allenby Capital, pursuant to which he has undertaken, *inter alia*, to exercise his Voting Rights to procure that the Group shall be managed for the benefit of Shareholders as a whole and independently from him.

Further details on the Relationship Agreement are set out in paragraph 11 of Part V of this Document.

15. Dividend policy

The Directors recognise the importance of dividends to Shareholders. The Group declared an annual dividend of approximately £0.4 million in respect of the Group's performance in the years 2018, 2019 and 2020 and is committed to continuing the payment of dividends following Admission. The Directors intend to at least maintain dividends at this level from Admission and will consider the adoption of a progressive dividend policy in the future that is balanced with the need to retain earnings in line with the Group's growth strategy. It is anticipated that dividends will be paid bi-annually. The Group declared an interim dividend of £0.15 million on 21 October 2021 and the Directors anticipate that the first dividend following Admission will be the final dividend in respect of 2021 and will be proposed on the publication of the Group's results for the year ending 31 December 2021.

16. Corporate Governance

The Directors acknowledge the importance of high standards of corporate governance, and the Company has adopted the QCA Code. The QCA Code sets the standard for minimum best practice for small and mid-size quoted companies, particularly AIM companies.

At the date of this Document, the Board comprises seven Directors, four of whom are Executive Directors and three of whom are Non-Executive Directors, reflecting a blend of different skills, experiences and backgrounds. The Directors consider that all Non-Executive Directors are independent, having taken into account their shareholdings, length of service and their separation from the day-to-day running of the business.

The Board meets regularly to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals.

The Group has established properly constituted audit and remuneration committees of the Board with formally delegated duties and responsibilities, a summary of which is set out below.

Audit committee

The Audit Committee comprises Sally Tilleray, Richard Amos and Isabel Napper with Sally Tilleray as chair of the committee. The Audit Committee will meet as often as required and at least twice a year. The Audit Committee's main functions include, *inter alia*; reviewing the effectiveness of internal control systems and risk assessments; considering the need for an internal audit function; making recommendations to the Board in relation to the appointment of the Company's auditors; determining in consultation with the Board as a whole the auditor's remuneration; and monitoring and reviewing annually the auditor's independence, objectivity, effectiveness and qualifications. The Audit Committee also monitors the integrity of the financial statements of the Company, including its annual and interim reports, financial results announcements and any other financial information provided to Shareholders. The Audit Committee is responsible for overseeing the Company's relationship with the external auditors as a whole and also considers the nature, scope and results of the auditors' work and reviews, and develops, recommends to the Board and implements policies on the supply of non-audit services that are to be provided by the external auditors. The Audit Committee further focuses on compliance with legal requirements, accounting standards and the relevant provisions of the AIM Rules for Companies and ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts will remain with the Board. The membership of the Audit Committee and its terms of reference will be reviewed on an annual basis.

Remuneration committee

The Remuneration Committee comprises Isabel Napper, Richard Amos and Sally Tilleray with Isabel Napper as chair of the committee. The Remuneration Committee's main functions include, *inter alia*; determining and agreeing with the Board the framework or broad policy for the remuneration of the Company's Chairman and Executive Directors; approving the design of and determining targets for, any performance-related pay schemes operated by the Company and approving the total annual payments made under such schemes; reviewing the design of all share incentive plans for approval by the Board and Shareholders together with determining each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to Executive Directors, company secretary and other senior executives and the performance targets to be used; and determining the total individual remuneration package of the chairman, each executive director, the company secretary and other senior executives including bonuses, incentive payments and share options or other share awards.

QCA Code

From Admission, the Company shall disclose on its website and within its annual report and accounts how the Company complies with the QCA Code and, where it departs from the QCA Code, it will explain the reasons for doing so. This information is also set out below. The Company will review this information annually in accordance with the requirements of the AIM Rules for Companies.

The Company's Chairman leads the Board and oversees its function and direction, as well as having ultimate responsibility for implementing the Company's corporate governance arrangements.

The following summary sets out how the Company intends to apply the key governance principles defined in the QCA Code from Admission.

Chairperson's Introduction

As a business which through its products and services promotes good compliance, Skillcast is committed to strong and pragmatic corporate governance practices within its own operations. Good corporate governance creates shareholder value by improving performance while reducing or mitigating risks that the Group faces as the Board seeks to create sustainable growth over the medium to long-term.

The Board is responsible to shareholders for the long-term success and the direction and supervision of the Company's operations. It is the Chairperson's role to lead the Board effectively and to oversee the adoption, delivery and communication of the Group's corporate governance model.

To these ends and in line with the recent changes to the AIM Rules to require all companies to adopt and comply with a recognised corporate governance code, the Board has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). It was decided that the QCA Code was more appropriate for the Company's and Group's size and stage of development than the more prescriptive Financial Reporting Council's UK Corporate Governance Code.

As a Company which is transitioning to public ownership, with a newly constituted Board, the group has adopted certain of these principles over the course of the last year. The Board met for the first time in its presently constituted form on 17 August 2021. The processes that are described in this statement were adopted from that time.

The narrative below sets out in broad terms how the Group complies with the QCA Code.

Principle 1: Establish a strategy and business model which promote the long-term value for shareholders

The Company's business model and strategy are set out in Part I of this Document. The Board believes that this strategy will ultimately lead to an increase in shareholder value through its focus on building defendable, recurring revenue streams in a long term growth market.

Following the completion of the Placing, the Group intends to invest the monies raised in certain marketing activities and enhancements to the technology platform which the Company sells to customers. These investments are expected to impact the Group's earnings in the short term but are expected to yield long term benefits as they will enhance the ability of the Group to gain market share and make its product offering more attractive to customers and hence more competitive in the market.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company is committed to listening and communicating openly with its Shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about us, and in turn, helping these audiences understand Skillcast's business, is a key part of driving the business forward and the Group actively seeks dialogue with the market. The Directors will do so via retail and institutional investor roadshows, attending and presenting at investor conferences, meeting with independent investment analysts and financial journalists and through the Company's regular financial reporting.

The Directors actively seek to build a relationship with institutional shareholders. The CEO and other directors will make presentations to institutional shareholders and analysts from time to time in part to listen to their feedback and have a direct conversation on any areas of concern. The Board is kept informed of the views and concerns of major shareholders by briefings from the CEO. Any significant investment reports from analysts will be circulated to the Board. The Non-Executive Chairperson and the Senior Independent Director are also available to meet with major shareholders if required to discuss issues of importance to them.

The AGM is one forum for dialogue with shareholders and the Board. The Notice of Meeting will be sent to shareholders at least 21 clear days before the AGM. The chairs of the Board and all committees, together with all other Directors, will routinely attend the AGM and be available to answer questions raised by Shareholders. For each vote, the number of proxy votes received for, against and withheld will be announced at the meeting. The results of the AGM will subsequently published on the Company's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company's mission is to help businesses transform their staff compliance, reduce their environmental impact, improve the inclusivity in their workplaces, and encourage their employees to act with ethics, integrity, sustainability and compliance with laws and regulations. To succeed in this mission, the Board is mindful that it needs to consider the inputs from a wide range of stakeholders in addition to shareholders, including employees, customers and suppliers. Such stakeholders are considered as a part of the business planning cycle. Engaging with them strengthens the Group's relationships and helps it make better business decisions to deliver on its commitments. The Company solicits clients for general feedback, e.g. net promoter scores and other satisfaction surveys and more specific feedback on products and processes. The Company also seeks regular feedback from employees in individual development conversations and team meetings. It intends to use anonymous workplace surveys to get objective feedback on well-being, integrity and inclusivity. The Company will also conduct such surveys to solicit input from suppliers. The Board is regularly updated on broader stakeholder engagement to stay abreast of stakeholder insights into the issues that matter most to them and our business and enable the Board to understand and consider these issues in decision-making.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Financial Controls

The Company's Audit Committee comprises Sally Tilleray (Chairperson), Richard Amos and Isabel Napper. The Audit Committee meets as often as required and at least twice a year. The Audit Committee's main functions include reviewing the effectiveness of internal control systems and risk assessment, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness, and qualifications.

The Audit Committee also monitors the integrity of the financial statements of the Company and Group, including its annual and interim reports and any other formal announcement relating to financial performance. The Audit Committee considers the nature, scope and results of the auditors' work and reviews, and can develop and implements policies on the supply of non-audit services that are provided by the external auditors where appropriate. The Audit Committee focuses particularly on compliance with legal requirements, accounting standards and the relevant AIM Rules for Companies and ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The identity of the Chairperson of the Audit Committee is reviewed on an annual basis and the membership of the Audit Committee and its terms of reference are kept under review. The Audit Committee members have no links with the Company's external auditors.

Standards and policies

The Board is committed to maintaining appropriate standards for all the Group's business activities and ensuring that these standards are set out in written policies where appropriate. The Board acknowledges that the Group's international operations may give rise to possible claims of bribery and corruption. In consideration of the UK Bribery Act, the Board reviews the perceived risks to the Group arising from bribery and corruption to identify aspects of the business which may be improved to mitigate such risk. The Board has adopted a zero-tolerance policy toward bribery and has reiterated its commitment to carry out business fairly, honestly, and openly. The Company has also adopted a share dealing code for the Board, in conformity with the requirements of the AIM Rules for Companies and MAR and will take steps to ensure compliance by the Board and senior staff with the terms of the code. In summary, the share dealing code stipulates that those covered by it should:

- not deal in any securities of the Company, unless prior written notice of such proposed dealings has been given to the Board and written clearance received from the Board;
- not purchase or sell any securities of the Company in the two months immediately preceding the announcement of the Company's half-yearly or annual results;
- not use another person, company, or organisation to act as an agent, or nominee, partner, conduit or in another capacity, to deal in any securities on their behalf where that third person would breach obligations under this paragraph; and
- immediately inform the Board of any dealings in the Ordinary Shares.

All material contracts are required to be reviewed and signed by a senior Director of the Company and, where appropriate, will be reviewed by our external counsel.

The Company has a social media policy. The objective of the policy is to minimise the risks to the Company through use of social media. The policy deals with the use of all forms of social media, all social networking sites, internet postings, the Company's website, non-regulatory news feeds and blogs. It applies to use of social media for business purposes as well as personal use that may affect the Company in any way. The policy covers all employees, officers, consultants, contractors, interns, casual workers, and agency workers.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Board comprises the non-executive Chairperson, two non-executive Directors and four executive Directors. The non-executive Chairperson and the two non-executive Directors are all considered to be independent. The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational and the Board is supported by an outsourced professional Company Secretarial firm with broad experience in administering public companies who fill the role of Company Secretary. The Chairperson will hold review meetings with each Director to ensure they are performing as they are required.

During a normal financial year it is expected that at least six formal Board meetings will take place. Key Board activities in the coming year will include reviewing the progress of the Group's commercial development and careful monitoring of the Group's investment plans following the fund raise. In addition the Board will:

- consider the Company's financial and non-financial policies;
- discuss strategic priorities;
- discuss the Company's capital structure and financial strategy, including capital investments and shareholder returns;
- discuss internal governance processes;
- review the Company's risk profile;
- review feedback from shareholders post full and half year results; and
- monitor ESG, diversity and culture.

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests must be reported to and, where appropriate, agreed with the rest of the Board. The Board considered the other time commitments of the non-executive Directors when appointing them and also the fact that the Chief Financial Officer is employed on a part-time basis. It considered that this is appropriate given the support the Chief Financial Officer received from the experienced Group Financial Controller and from the Company Secretary.

All Directors receive regular and timely information on the Company's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience. In addition to the executive Directors' skills and experience of running the business over many years, the non-executive Directors bring recent and relevant skills in running listed public companies, in relevant finance and legal matters and in remuneration practices relevant to similar companies of the Company's size and complexity. The biographies of the Directors which are set out in Part I of this Document set out the relevant skills and experience of each of the Directors. All Directors are encouraged to attend update sessions to ensure that they are kept abreast of changes to regulatory codes and best practices. In addition, Board meeting agendas include updates from advisors on changes in regulations or requirements that are specifically pertinent to the Group.

The Board makes decisions regarding the appointment and removal of Directors and there is a formal, rigorous, and transparent procedure for appointments. The Company's Articles of Association require that:

- at every AGM one third of the Directors shall retire from office, or if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation; and
- that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment. In recognition of this, all Directors will stand for election at the AGM to be held in 2022.

All Directors can take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense and with prior agreement from the Board. In addition, the Directors have direct access to the advice and services of the Company Secretary.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board has been newly appointed as part of the transition process to becoming a public company. Going forward the intention is to regularly assess the individual contributions of each of the members of the Board and executive team to ensure that their contribution is relevant and effective, that they are committed and, where relevant, they have maintained their independence. Over the next 12 months, the Board intends to review the performance of the team as a unit to ensure that the members of the Board collectively function in an efficient and productive manner. Annually, the Board will consider whether this review should be conducted internally or with external support.

It is the intention of the Board to review succession planning over time, focusing particularly on contingency plans for the potential sudden unavailability of key members of the executive team recognising the particular challenge which that can create in a company of the size of Skillcast.

Principle 8: Promote a culture that is based on ethical values and behaviours

The Company's core business is to help companies transform their staff compliance by improving access to e-learning and digital tools for informing, assessing, recording, monitoring, analysing and evidencing a range of employee activities. The first benefit of this transformation is to improve the compliance experience for employees and suppliers of our client companies. The digitisation streamlines the processes, improved accessibility, and provide more timely information to enhance understanding and acceptance of compliance. The second benefit is to the firm in providing more robust processes, better data collection reduced costs, and lower misconduct risk. A third benefit is to the environment in terms of reduced travel, paperwork and other resources.

Given the Company's purpose, the Board believes that promoting a culture based on sound ethical values and behaviours is essential to maximise shareholder value. The Board is confident the ethical values are being adhered to in multiple ways. The Company requires all executives and employees to act ethically, sustainably, fair, and transparently in their dealings with their colleagues, customers, and suppliers. The Company embeds these values through staff training and surveys, and development conversations. The Company operates a quarterly incentive plan for all employees that rewards them for their performance on the Group's four values of professionalism, teamwork, customer service and innovation.

The Board and Executive Management Committee ("EMC") have a zero-tolerance approach to bribery, corruption, bullying, harassment, and dishonesty. This commitment is communicated clearly to all employees through training and communication.

The Board is also mindful of the Company's contribution to the society outside its stakeholders. It has organised games and competitions to raise tens of thousands of pounds for charities. The Company is a Living Wage Employer, ensuring that its direct employees and those in its supply chain receive a living wage. In addition to the Company's products and services helping its customers reduce their carbon footprint, the Company is taking steps to reduce its own carbon footprint.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board will meet at least six times each year in accordance with a scheduled meeting calendar. Prior to the start of each financial year, a schedule of dates for that year's Board meetings will be compiled to align as far as reasonably practicable with the Company's financial calendar while also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required.

The Board and its committees receive appropriate and timely information prior to each meeting. A formal agenda is produced for each meeting and Board and committee papers are distributed at least two days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant committee and then followed up by the Company's management.

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for: overall Group strategy; approval of major investments; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairperson is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the executive team.

The Board is supported by the Audit Committee, the Remuneration Committee and the Sustainability Committee. The Board has determined that rather than form a separate Nomination Committee it will itself fulfil the responsibilities and duties typically delegated to that committee. Each committee has access to such resources, information, and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties with prior Board agreement. The Remuneration Committee comprises not less than three members, all of whom are independent Non-Executive Directors. The Remuneration Committee ensures remuneration is aligned to the implementation of the Company strategy, market data and effective risk management, considering the views of shareholders and is also assisted by executive pay consultants as and when required.

Although not a committee of the Board, the EMC is the key operational decision-making body of the Company. Matters that require a decision of the Board will be supported by the work of the EMC which meets monthly. In most circumstances matters requiring the input of the Board will already have been considered by the EMC with its input provided as a contribution to board papers.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders through the annual report and accounts, full-year and half-year announcements, the AGM, RNS announcements, general meetings as required, and one-to-one meetings with large existing or potential new shareholders. A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors, and the public on the Company's corporate website, skillcast.com. The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Company's AIM nominated adviser. The Company will communicate with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of general investors' views. The Company will also communicate to individual investors and private client brokers through a dedicated email address, investor roadshows and presentations at investor conferences.

17. Share dealing code

The Company has adopted a share dealing code for persons discharging management responsibilities in respect of the Company ("**PDMRs**") and persons closely associated with them, which complies with Rule 21 of the AIM Rules for Companies and the requirements of MAR. The share dealing code provides that there are certain periods during which dealings in the Company's Ordinary Shares cannot be made, including the periods leading up to the publication of the Company's financial results, including interim results. The Company will take all reasonable steps to ensure compliance by PDMRs and persons closely associated with them with the share dealing code.

It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, including MAR, will apply to the Company and dealings in Ordinary Shares.

18. Anti-bribery and corruption policy

The Company has adopted an anti-corruption and bribery policy that applies to the Board and employees of the Group and will apply to management and employees of the Group following Admission. It generally sets out the employees' responsibilities in observing and upholding a zero-tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Group expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Group's behalf in compliance with it. Management at all levels is responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

19. The City Code on Takeovers and Mergers

The Company is incorporated in the UK and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the City Code applies to the Company. The City Code operates principally to ensure that shareholders of a company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code also provides an orderly framework within which takeovers are conducted.

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

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

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

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

In addition, shareholders in a private company (such as Skillcast) who, following the re-registration of a company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the City Code applies, are presumed to be acting in concert.

The Company and the Panel have agreed that, for the purposes of the City Code, the concert party comprises the following persons: Vivek Dodd, Catriona Razic, Anthony Miller, Morten Damsleth, Jitka Dodd and Gurmakh Minhas (the "Concert Party").

On Admission, the Concert Party will hold 81.31 per cent. of the Enlarged Share Capital.

Further details concerning the shareholdings of the Concert Party are set out in paragraph 4 of Part V of this Document.

As the Concert Party will hold more than 50 per cent. of the Enlarged Share Capital on Admission, for so long as this remains the case (and so long as they continue to be treated as acting in concert), members of the Concert Party would be entitled to increase their aggregate interest in the Voting Rights of the Company without incurring the obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their percentage interests in the Voting Rights through or between a Rule 9 threshold without Takeover Panel consent.

In addition, on Admission, Vivek Dodd, together with his wife, will be interested in approximately 59.36 per cent. of the Enlarged Share Capital.

As Vivek Dodd will hold more than 50 per cent. of the Enlarged Share Capital on Admission, for so long as this remains the case, Vivek Dodd would be entitled to increase his interest in the Voting Rights of the Company without incurring the obligation under Rule 9 of the City Code to make a general offer.

Squeeze Out

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

Sell out

The Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can require the offeror to acquire his Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

20. Taxation

Your attention is drawn to the section on UK taxation contained in paragraph 16 of Part V of this Document. **If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own professional adviser immediately.**

21. Settlement, dealing arrangements and CREST

Application has been made to the London Stock Exchange for all the Ordinary Shares (including the New Ordinary Shares) to be admitted to trading on AIM. It is expected that Admission will be effective and that dealings in the Enlarged Share Capital of the Company will commence on 1 December 2021.

No temporary documents of title will be issued. All documents sent by or to a Shareholder or Placee, or at their direction, will be sent through the post at the Shareholder's or Placee's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

In respect of subscribers who will receive their Placing Shares in uncertificated form, Ordinary Shares will be credited to their CREST stock accounts on Admission. The Company reserves the right to issue any Ordinary Shares in certificated form should it consider this to be necessary or desirable.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. CREST is a voluntary system, and applicants who wish to receive and retain certificates will be able to do so. The New Articles permit the holding of Ordinary Shares in CREST. The Company will apply for the Enlarged Share Capital to be admitted to CREST on the date of Admission. Accordingly, settlement of transactions in the uncertificated Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

22. Additional information

Your attention is drawn to the information included in Parts II to V of this Document. In particular, you are advised to consider carefully the Risk Factors contained in Part II of this Document.

PART II

RISK FACTORS

The attention of prospective investors is drawn to the fact that ownership of shares in the Company will involve a variety of risks which, if they materialise, may have an adverse effect on the Company's business, financial condition, results or future operations. In such a case, the market price of the Ordinary Shares could decline, and an investor might lose all or part of their investment.

In addition to the information set out in this Document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company, and they are not set out in any order of priority. In particular, the Company's performance might be affected by changes in market, policy and economic conditions and in legal, regulatory and tax requirements.

Additionally, there may be further risks of which the Directors are not aware or believe to be immaterial that may, in the future, adversely affect the Company's business and the market price of the Ordinary Shares.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities.

RISK FACTORS RELATING TO THE BUSINESS AND OPERATIONS OF THE GROUP

Customer contracts may be capable of termination at short notice

The Group provides services to a number of blue chip customers. In a number of cases, significant customers contract with the Group on their own standard terms, which are generally more favourable to the customer. This includes, in certain agreements, a right to terminate arrangements for convenience on one month's notice or less. The Group relies on its long-standing relationships with several of its key clients and its high levels of customer satisfaction rather than on contractual tie-ins. However, the loss of key contracts could have a material adverse effect on the Group's overall revenues and profitability.

Ability to renew existing customer subscriptions

The Group is in part dependent upon annual customer subscription renewals to sustain and grow its revenues. No guarantee exists that customers will continue to renew subscriptions at the rate they have done in the past. If this were to occur, it could negatively impact the Group's future revenue and operating results.

Ability to upsell products and services to existing clients

The Group's growth strategy relies partly on increasing revenue from existing customers through the upsell of Regtech tools. The Group may be unsuccessful at its cross-selling efforts to convince clients about the need for staff compliance technology in their organisations or the value of running multiple staff compliance processes in a single SaaS application provided by the Group. Instead of using the Skillcast Portal, companies may elect to combine applications from various providers to fulfil their staff compliance requirements. If the existing customers of the Group do not expand their use of its software or adopt additional offerings and features, the Group's operating results may be negatively impacted.

Competition in a fragmented market

The Group is targeting new client acquisitions to sustain growth in subscriptions and professional services and fund the planned increase in its operating expenditure. The market for e-learning and staff compliance management solutions is highly fragmented, and as such, there may be competitors and services of which the Group is currently unaware. The Group has a proven track record of client retention and acquisition. However, the Group may face competition for new business from both established and new companies offering alternative products or services, and from applications developed internally by companies. The Group's current and potential competitors may develop and produce new products or services of a higher quality or lower price. New competitors could emerge and acquire market share, which could have an adverse effect on the Group's market share, performance, financial condition, and business prospects.

Ability to retain key client relationships

The Group's professional services revenue is materially dependent on a relatively small number of key clients. The loss of one or more of these key clients could have a material adverse effect on the Group's overall revenues and profitability.

Threat of technological obsolescence

The demand for the Group's products and services is likely to depend on the continued evolution in technology and content to satisfy changing industry standards, customer needs and competition. To meet the customer demands and keep up with the trends and new standards, sustained significant investment in software and content will be required. If the Group is unable to anticipate changes in technology standards, or the emergence of new standards, or trends in customer requirements or fails to invest and develop software, it may have an adverse impact on the Group's business and prospects. There can be no assurances the Group will have sufficient resources to make such investments.

Ability to manage growth and organisational change

The Group has experienced significant growth and organisational change in recent years. As explained in Part I of this Document, the Group has a growth strategy post Admission. The execution of this strategy may place strain on its managerial, operational and financial reserves, and any failure to implement such a strategy may adversely affect the Group's reputation, business, prospects, results of operation and financial condition.

Failure to provide high-quality client service

The Group assigns a designated success manager to each subscription client. High-quality client service is necessary to keep churn rates low, upsell additional features and acquire new clients by word of mouth. If the Group was unable to maintain its client service levels or was not able to recruit talented client service individuals and train and manage them sufficiently, this could result in loss of existing clients and loss of reputation, which could negatively impact the financial prospects of the Group.

Ability to build leadership position and strong brand awareness

The Group intends to build its leadership in staff compliance technology and create strong market awareness around the Skillcast brand to attract new customers. The Directors intend to invest significant resources to develop this awareness, focusing on identifying and interpreting emerging trends in staff compliance, engaging with the community of compliance officers, sharing best practices and its content marketing efforts. However, such activities may not yield increased revenue, or the increased revenue may not offset the expenses incurred. If the Group fails to build this thought leadership position, it may not attract enough new customers or retain its existing customers, which could adversely affect the Group's future financial performance.

The Group's software or content may contain defects and not perform as expected

The Group's software is complex and there can be no assurance it will perform as intended. It may contain defects or vulnerabilities which may surface in the future and make the Group and its customers vulnerable to adverse performance or IT security failures. Moreover, there may be material inaccuracies in the Group's content that could harm the customers or their employees. The Group may not always be able to identify or fix defects promptly. The Group's business would suffer if such defects harmed its customers or caused its customers, or potential customers, to believe the Group's software is not reliable or secure. As a result, the Group may lose customers, become liable for damages, suffer negative publicity, financial losses and reduced business prospects.

Ability to conduct research and development to compete effectively

Developing new features and enhancements for the Skillcast Portal will be necessary for the Group to remain competitive. Other competitors may have access to more funds for research and development, or they may be acquired by larger companies that could provide access to greater resources than those available to the Group. The Group's failure to maintain adequate research and development resources or to compete effectively with its competitors' research and development programs could materially adversely affect its business.

Scarcity of experienced technical personnel

The Group's ability to implement its growth strategy will depend partly on its ability to recruit, hire, train, manage and integrate a significant number of individuals, including design, technology, sales, marketing, and customer success. The nature of the Group's business requires its employees in the technical and development teams to be highly skilled and experienced in their respective fields. There can be no guarantee that the Group will be able to recruit more suitably experienced employees in the future, should the team need to expand or should the existing employees leave the Group. Inability to recruit appropriately skilled employees may have an adverse impact on the operations of the Group.

Reliance on key personnel

Loss of key management or other key personnel, particularly to competitors, could have adverse consequences. Whilst the Group has entered into service agreements or letters of appointment with each of its Directors and certain senior employees, the retention of their services cannot be guaranteed. Furthermore, as the Group expands, it may need to recruit and integrate additional senior personnel in a competitive market for suitably qualified candidates. The Group may not be successful in identifying and engaging suitably qualified people or inducting them into the Group, which may impact the performance of its business.

Reliance on third-party data centre and service providers

The Group currently hosts and serves its SaaS technology from third-party data centres located in London Docklands, UK, with disaster recovery backup in Newbury, UK, and may use other such facilities in the future. Its operations depend on the ability of these third-party facility providers to protect their facilities against damage or interruption from natural disasters, such as earthquakes and hurricanes, power or telecommunications failures or criminal acts. If any of these third-party facilities arrangements is disrupted, this could impair the Group's ability to deliver its technology to customers, resulting in customer dissatisfaction, damage to its reputation, loss of customers, and material financial impact. Furthermore, the Group uses Microsoft and other SaaS providers for its internal operations. Disruptions to these services could have a material impact on its operations and ability to serve its customers.

Ability to protect intellectual property

The Group's success depends on its ability to protect its intellectual property effectively. However, much of the Group's intellectual property is not of a nature capable of patent protection. The Group relies on a combination of copyrights, trademarks, trade secrets and contractual restrictions to establish and protect its intellectual property rights in its products and services. The Group relies on its employees to maintain confidentiality about its know-how, systems, computer code and processes. If the Group's efforts are inadequate, for instance, its copyrights cannot be enforced, or employees compromise the confidentiality, or some unauthorised third party is able to copy technology or content, it would result in a loss of competitive advantage and have a material adverse impact on the Group's performance.

Claims and disputes relating to the infringement of intellectual property

The Group sells subscriptions of large libraries of OTS courses and SaaS. Its business may suffer if it is alleged or determined that its content or technology infringes the intellectual property rights of others.

Publishing and software industries are characterised by numerous patents, copyrights, trademarks, trade secrets and other intellectual property rights. Companies in such industries are often required to defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Responding to such claims, regardless of their merit, can be time-consuming, costly, a diversion of management's attention and resources, and be damaging to the Group's reputation. The Group's content or technology may not be able to withstand certain third-party claims, and it may be required to redesign its content or technology, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction on parts of its business.

Use of open-source software

The Group's SaaS application incorporates open-source software, and it may include additional open-source software in the future. Open-source software is generally freely accessible, usable and modifiable. However, if an author or third party that distributes the open-source software were to allege that the Group had not complied with the conditions of use of such software, the Group could incur significant legal expenses defending against such allegations. This could result in substantial damages, business disruption and require additional research and development resources to change its technology.

Liability from client actions

As a provider of a SaaS application, the Group is exposed to potential liability for the activities of its customers and the data they store on its servers. Although the Group's contract terms prohibit any illegal use of its services by customers and any related activity that is defamatory, violates any third party intellectual property right, duty of confidence or right to privacy, or the Official Secrets Acts, its customers may nevertheless engage in prohibited activities or upload or store content in violation of applicable law or the customer's policies, which could subject the Group to liability, or harm its reputation.

Laws and regulation

The Group is exposed to legal and regulatory changes, customer requirements and preferences trends, and the emergence of new industry standards and practices. The Group's success requires it to continue updating and improving its products and services and develop new products and services in response to changes in legislation, regulation, and standards. The Group may not be able to anticipate and respond to or fund these changes or do so without negatively impacting its revenues and profitability. If the government in the UK and other jurisdictions were to remove certain laws and regulations, it could reduce the demand for the Group's products and services and have a negative impact on its revenues and profitability.

Data protection

By the nature of its products and services, the Group may store its customers' sensitive data. The Group has implemented systems and procedures in relation to General Data Protection Regulation in the UK and the EU and cybersecurity measures to safeguard this data. However, it cannot be certain that these controls will prove effective in all circumstances. A security breach or data theft could damage the Group's reputation and have a material adverse effect on its business and financial condition.

Financial resources

In the opinion of the Directors, having made due and careful enquiry, taking into account the existing cash available to the Group and the proceeds of the Placing receivable by the Company, the working capital available to the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission. The Group may require additional capital in the future to develop the Group's business. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Group or Shareholders. Any additional equity financing may be dilutive to holders of Ordinary Shares. Any debt financing, if available, may require restrictions on the Group's future financing and operating activities.

Material litigation, claims or arbitration or legal uncertainties

The Group is not engaged in any material litigation, claim, and arbitration, either as claimant or defendant, that has or could have a material effect on its financial position. The Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the Group's position or business. However, there can be no assurance that there will be no such proceedings in the future that could affect the reputation, business or performance of the Group.

Costs of compliance with corporate governance and accounting requirements

As a public company whose Ordinary Shares will be admitted to trading on AIM, the Company is subject to enhanced requirements concerning disclosure controls and procedures and internal control over financial reporting. The Company may incur significant costs associated with its public company reporting requirements, including applicable corporate governance requirements. The Company expects to incur high legal and financial compliance costs due to these rules and regulations. If the Company does not comply with all applicable legal and regulatory requirements, this may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Internal controls

Future growth and prospects for the Group will depend on its management's ability to manage the business of the Group and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

Taxation

The attention of potential investors is drawn to paragraph 16 of Part V of this Document headed "Taxation". The tax rules, including stamp duty provisions and their interpretation relating to an investment in the Group, may change during the life of the Group. There can be no certainty that the current taxation regime in the UK or Malta within which the Group currently operates, or in the jurisdictions it may operate in the future, will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Group, which may have a material adverse effect on the Group's financial position.

Fluctuations in foreign exchange rates

The Group is exposed to movements in foreign exchange rates, which may materially affect revenue and profitability. The Group mainly has revenues and expenses in both Sterling and Euros, but its Euro expenses outstrip its Euro revenues. The Directors believe that the resulting exposure is not significant enough to require any financial hedges. The Directors will continue to monitor this risk and may undertake financial contracts to hedge exchange rate risk if necessary.

GENERAL RISKS

Unfavourable economic conditions would adversely impact the Group's performance and financial condition

The Company's operating results and financial condition may be negatively affected by a downturn in the general economic climate within the Group's operating jurisdictions, namely the UK and the EU. A reduced level of economic activity in the UK or the EU may reduce the number of new projects granted or demand for additional services, leading to stagnation or decline in the Group's operating revenue. A recession in the UK or the EU could therefore decrease the value of the Ordinary Shares.

COVID pandemic

The COVID pandemic that has caused UK Government and the EU to impose restrictions on certain economic activities during 2020 and 2021 may have long-term adverse effects on the financial performance of the Group. At this time, it cannot accurately forecast whether further UK Government or EU restrictions on certain activities will be imposed or re-imposed at a later point and whether these actions will have a negative impact on the financial performance of the Group in the future. In addition, the macroeconomic effect of the COVID pandemic on the Group's business and that of its clients is unknown. It is not possible to state the future impact that the COVID pandemic will have on the Group and whether such impact would positively or adversely affect the business. However, prolonged political and economic uncertainty and the potential negative economic trends that may precede or follow the COVID pandemic would likely have an adverse effect on the Group's overall business and financial condition by, for example, customers delaying the commission of professional services or transition to relevant compliance software.

The Group showed resilience in its operations and business development through the COVID pandemic in 2020. In March 2020, the Group temporarily shut down its offices in London and Malta at short notice and moved all employees to work from home. In June 2021 in Malta and in July 2021 in the UK, the Group implemented a hybrid working pattern with office-based employees coming into the office on two days a week on their team's allocated dates and having the flexibility of working at the office or home on remaining days. The Group has periodically conducted workstation assessments to ensure that their work from home set-up meets health and safety standards and is conducive to long-term health and well-being.

Notwithstanding the mitigating actions undertaken by the Group, the ongoing and repeated restrictions could negatively impact employee morale, productivity and the Company's culture. Any failure to preserve its culture could harm the Group's ability to retain and recruit personnel, innovate and operate effectively, and execute its business strategy.

Moreover, the economic effects of the COVID pandemic may adversely affect companies' ability or willingness to purchase the Group's products and services; the timing of those purchasing decisions; demands for price discounts or payment holidays or extended payment terms; reductions in the amount or duration of customers' subscription contracts; or increase customer attrition rates. All of these would adversely affect future sales, operating results and the overall financial performance of the Group.

RISKS RELATING TO THE ORDINARY SHARES

Investment in AIM securities and liquidity of the Company's Ordinary Shares

An investment in companies whose shares are traded on AIM is perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than the Official List. The future success of AIM and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may become or may be relatively illiquid, and therefore, such Ordinary Shares may be or may become difficult to sell.

The market for the Ordinary Shares following Admission may be highly volatile and subject to wide fluctuations in response to a variety of factors, which could lead to losses for Shareholders. These potential factors include, *inter alia*, any additions or departures of key personnel, litigation and negative press, newspaper and/or other media reports.

Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up, that the market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor.

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

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders, and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock

Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

Market in the Ordinary Shares

The share price of publicly quoted companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and its operations and others to the AIM market or stock markets in general, including, but not limited to, variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the Company's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares. The trading of the Ordinary Shares on AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares, and there is no guarantee that an active market will develop or be sustained after Admission. It may be more difficult for an investor to realise their investment in the Company than in a company whose shares are quoted on the Official List.

Dilution of Shareholders' interest as a result of additional equity fundraising

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

Ability to pay Dividends

The Company's ability to pay dividends on the Ordinary Shares is a function of its profitability and cash flow and the extent to which, as a matter of law, it will have available to it sufficient distributable reserves out of which any proposed dividend may be paid. Although the Company intends to maintain the payment of a dividend at previous levels following Admission, it can give no assurance or guarantee that it will maintain a dividend at previous levels or at all. If the Company cannot make its planned dividend payments, the value of the Ordinary Shares may fall.

EIS/VCT status

The Company has received professional advice that the New Ordinary Shares are expected to be capable of being a "qualifying holding" for VCTs. However, there is no guarantee that HMRC will agree with this advice. Further, the advice does not cover all aspects of VCT or the precise structure of the Placing. In addition, although it is intended that the Company will be managed so that this status continues, there is no guarantee that such status will be maintained. Circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such status claimed by any Shareholder. In addition, should the law change, then any qualifying status previously obtained may be lost. If such status is withdrawn, this may result in the investment becoming a "non-qualifying holding" or the VCT. Further, it should be noted that the conditions for VCT Relief are complex and depend not only on the qualifying status of investments made by the VCT but also on the characteristics of the VCT concerned (as applicable). Accordingly, VCT investors should be aware that, whilst the Company has received advice that the New Ordinary Shares should be capable of being treated as a "qualifying holding" for the purposes of VCT Relief, that advice is based on certain assumptions and neither the Company nor any of the Company's advisers give any warranties or undertakings that an investment in the Company will be a "qualifying holding" nor that the holding will remain a "qualifying holding" for the VCT.

The professional advice received by the Company does not cover whether the New Ordinary Shares would rank as “eligible shares” for the purposes of EIS and neither the Company nor the Board nor any of the Company’s advisers give any warranty or undertaking that such relief will be available to Prospective investors.

The investment detailed in this Document may not be suitable for all of its recipients and involves a high degree of risk. Before making an investment decision, prospective investors are advised to consult a professional adviser authorised under the FSMA if they are in the United Kingdom or, if not, to consult another appropriately authorised and independent financial adviser who specialises in advising on investments of the kind described in this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

PART III

SECTION A: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP

24 November 2021

The Directors
Skillcast Group plc
80 Leadenhall Street
London
EC3A 3DH

The Directors
Allenby Capital Limited
5th Floor
5 St Helen's Place
London EC3A 6AB

Dear Sirs,

Introduction

We report on the audited consolidated historical financial information of Skillcast Group plc (the "**Company**") and its subsidiaries (together, the "**Group**") set out in Section B of Part III ("**Historical Financial Information of the Group**") of the admission document dated 24 November 2021 (the "**Document**") of the Company.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the financial information and International Financial Reporting Standards (IFRS) as issued by the UK Endorsement Board.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of Preparation

This historical financial information of the Group has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the financial information. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the "**AIM Rules**") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Group in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard 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 statements underlying 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.

Conclusions relating to going concern

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

Declaration

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

Yours faithfully

Crowe U.K. LLP
Chartered Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Consolidated statement of comprehensive income

The audited statements of comprehensive income of the Group for the three years ended 31 December 2020 are set out below:

	Note	*Year ended 31 Dec 2018 £*	*Year ended 31 Dec 2019 £*	*Year ended 31 Dec 2020 £*
Revenue	3	5,666,360	6,761,212	7,292,685
Cost of sales	4	(1,402,269)	(1,472,047)	(2,264,608)
Gross profit		4,264,091	5,289,165	5,028,077
Administrative expenses	5	(3,107,823)	(3,931,362)	(3,995,031)
Operating profit		1,156,268	1,357,803	1,033,046
EBITDA	21	1,213,304	1,614,921	1,253,425
Other income		41	–	–
Finance income		2,684	381	392
Finance expense		–	(20,186)	(10,690)
Profit before tax		1,158,993	1,337,998	1,022,748
Income tax credit/(expense)	7	(382,003)	261,238	(118,630)
Total comprehensive income		776,990	1,599,236	904,118
Basic EPS (expressed in pence)	20	3.9	8.0	4.5

Consolidated statement of financial position

The audited statements of financial position of the Group as at 31 December 2018, 31 December 2019 and 31 December 2020 are set out below:

	Note	*As at 31 Dec 2018 £*	*As at 31 Dec 2019 £*	*As at 31 Dec 2020 £*
Assets				
Non-current assets				
Property, plant and equipment	10	98,562	91,483	118,753
Right-of-use assets	11	–	470,690	263,353
		98,562	562,173	382,106
Current assets				
Trade and other receivables	8	1,736,322	2,785,721	3,474,349
Cash and cash equivalents	9	2,525,313	3,358,202	3,799,804
		4,261,635	6,143,923	7,274,153
Total assets		4,360,197	6,706,096	7,656,259
Issued capital and reserves attributable to owners				
Share capital	16	2,000	2,000	2,000
Retained earnings		2,171,384	2,970,620	3,874,738
Total equity		2,173,384	2,972,620	3,876,738
Liabilities				
Current liabilities				
Trade and other payables	12	513,665	755,142	728,178
Contract liability	13	1,274,246	1,789,618	2,292,947
Current lease liabilities		–	195,196	123,620
Income tax payable	14	395,699	695,223	504,114
		2,183,610	3,435,179	3,648,859
Non-current liabilities				
Long-term lease liabilities		–	289,606	135,774
Deferred tax liability	15	3,203	8,691	(5,112)
		3,203	298,297	130,662
Total liabilities		2,186,813	3,733,476	3,779,521
Total equity and liabilities		4,360,197	6,706,096	7,656,259

Consolidated statement of cash flows

The audited statements of cash flows of the Group for the three years ended 31 December 2020 are set out below:

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Cash flows from operating activities			
Profit before tax	1,158,993	1,337,998	1,022,748
Adjustments for:			
Depreciation of property, plant and equipment	57,036	50,026	48,039
Amortisation of right-of-use assets	–	207,092	172,340
Finance income	(2,684)	(381)	(392)
Finance expense	–	20,186	10,690
	1,213,345	1,614,921	1,253,425
(Increase)/decrease in trade and other receivables	(237,025)	(1,049,399)	(688,628)
Increase/(decrease) in trade and other payables	490,849	356,849	876,365
Cash generated from operations	1,467,169	922,371	1,441,162
Income taxes paid	(108,328)	566,250	(323,542)
Net cash flows from operating activities	1,358,841	1,488,621	1,117,620
Investing activities			
Purchases of property, plant and equipment	(69,329)	(42,948)	(75,307)
Interest received	2,684	381	392
Net cash used in investing activities	(66,645)	(42,567)	(74,915)
Financing activities			
Principal paid on lease liabilities	–	(192,979)	(190,413)
Dividends paid	(300,000)	(400,000)	(400,000)
Interest paid on lease liabilities	–	(20,186)	(10,690)
Net cash (used in)/from financing activities	(300,000)	(613,165)	(601,103)
Net increase in cash and cash equivalents	992,196	832,889	441,602
Cash and cash equivalents at beginning of period	1,533,117	2,525,313	3,358,202
Cash and cash equivalents at end of period	2,525,313	3,358,202	3,799,804

Consolidated statement of changes in equity

The audited statements of changes in equity of the Group for the three years ended 31 December 2020 are set out below:

	Share capital £	*Retained earnings* £	*Total equity* £
1 January 2018	2,000	1,694,394	1,696,394
Comprehensive Income for the year			
Profit	–	776,990	776,990
Total comprehensive Income for the year	–	776,990	776,990
Contributions by and distributions to owners			
Dividends	–	(300,000)	(300,000)
Total contributions by and distributions to owners	–	(300,000)	(300,000)
31 December 2018	2,000	2,171,384	2,173,384
1 January 2019	2,000	2,171,384	2,173,384
Comprehensive Income for the year			
Profit	–	1,599,236	1,599,236
Total comprehensive Income for the year	–	1,599,236	1,599,236
Contributions by and distributions to owners			
Dividends	–	(800,000)	(800,000)
Total contributions by and distributions to owners	–	(800,000)	(800,000)
31 December 2019	2,000	2,970,620	2,972,620
1 January 2020	2,000	2,970,620	2,972,620
Comprehensive Income for the year			
Profit	–	904,118	904,118
Total comprehensive Income for the year	–	904,118	904,118
Contributions by and distributions to owners			
Dividends	–	–	–
Total contributions by and distributions to owners	–	–	–
31 December 2020	2,000	3,874,738	3,876,738

Notes to the audited consolidated financial statements

For three years to period ended 31 December 2020

1. General Information

Skillcast Group plc ('Company') is registered in the United Kingdom with registration number 12305914 and is limited by shares. Its registered office is at 80 Leadenhall Street, London, England, EC3A 3DH. The Company is the ultimate parent of Inmarkets Ltd, Inmarkets Group Ltd and Inmarkets International Ltd.

This report and financial statements reflect the consolidated activities and transactions of the Company and other group companies ('Group'). This report and financial statements reflect the acquisition of Inmarkets Group Ltd through a share swap and the acquisition of Inmarkets Ltd from Inmarkets Group Ltd as a restructuring of the group of companies. This is the first report and financial statements of the Company but as it reflects a restructuring of the Group it presents a consolidated position as if Skillcast Group plc had been incorporated and the head of the Group since 1 January 2018.

Up to the 28 July 2021 the Company was a private limited company. On the 28 July 2021 the Company re-registered as a public company under the name Skillcast Group plc. The Company did this in preparation of admission to the AIM market.

The Company is primarily involved in providing management services to other entities in the Group. The Group provides software and content subscriptions and related professional services to enable companies to transform their staff compliance. Operating from its two bases, in London and Malta, the Group helps companies across a broad spectrum of industry sectors in the UK, EU and in the rest of the world, to train their staff and demonstrate compliance with various laws, regulations, and standards that are relevant for their business.

2.1 Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They have been prepared under the historical cost convention and on a going concern basis. The financial statements are presented in Pounds Sterling, which is the Group's presentation currency. These financial statements are non-statutory and produced to support the process of admission to the AIM market.

A subsidiary is defined as an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations other than the share for share acquisition of Inmarkets Group Ltd by Skillcast Group plc in 2019 are accounted for under the acquisition method and merger relief has been taken on recognising the shares issued on acquisition, where applicable.

Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the financial statements. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually. If the consideration is less than the fair value of assets and liabilities acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition related costs are expensed as incurred.

2.2 Changes in accounting policies and disclosures

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted for the annual reporting period ended 31 December 2020. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2.3 **Summary of significant accounting policies**

Revenue recognition

Professional services

The Group provides customised and standard content to its clients provided under fixed-price contracts which is generally non-recurring revenue.

Fixed price contracts are recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case contract revenue is only recognised to the extent of contract costs incurred that are recoverable. This is because either the Group is creating an asset with no alternative use to it and the contract contains the right to payment for work completed to date, or the client is simultaneously receiving and consuming the benefits of the Group's services as it performs.

Business development costs incurred as part of a bid or tender process are expensed as incurred. There are no material costs incurred during the period between the contract being awarded and service delivery commencing.

For fixed-price contracts, the client pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, an amount recoverable on contracts asset is recognised. Conversely, if the payments exceed the services rendered, a liability is recognised.

Amounts recoverable on contracts are included in current assets and represent revenue recognised on account.

Software as a Service (SaaS) subscriptions

The Group provides right of access of content to clients for subscription periods ranging from six to twelve months. Revenue is recognised evenly over the contractual period of the subscription as the client simultaneously receives and consumes the benefits of the Group's services.

The balance of the revenue which has not been recognised at the reporting date is deferred as a contract liability in current liabilities, until it is due to be recognised as revenue.

Where a contract includes multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices where available.

Segmentation

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker (which takes the form of the Board of Directors of the Group), in order to allocate resources to the segment and to assess its performance. The Directors of the Group consider the Group is organised as one business unit and all assets, liabilities, revenues and expenditure are retained and recorded as such. However, the Group does analyse revenue by type of revenue, namely SaaS subscriptions and Professional Services, and on a geographic basis.

Foreign currencies

The financial statements are presented in the Group's functional currency, Pounds Sterling, being the currency of the primary economic environment in which the Group operates. Transactions denominated in currencies other than the functional currency are translated at the rates of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in the statement of comprehensive income, except in the case of significant exchange differences arising on investing or financing activities, which are classified within investment income, investment losses or finance costs as appropriate.

Taxes

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount 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 taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In Malta, Inmarkets Group Ltd is able to reclaim a proportion of the corporation tax paid by its subsidiary, Inmarkets International Ltd, as long as it meets certain criteria laid down by the Maltese tax authorities. The criteria include that the relevant corporation tax has been paid by Inmarkets International Ltd and that dividends to Inmarkets Group Ltd have been declared by Inmarkets International and are payable to non-Maltese tax resident shareholders. It is Group policy to reclaim Maltese corporation tax to the fullest extent permissible and to recognise this income in Inmarkets Group Ltd based upon dividends declared, or that will be declared once tax returns are completed, for the financial year. The reclaimed corporation tax is presented as netted off with the income tax expense. and in other receivables.

Property, plant and equipment

The Group's property, plant and equipment are classified into the following classes – Furniture and fittings, computer hardware and software, and plant and machinery.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Computer hardware	25 per cent. per annum
Computer software	33 per cent. per annum
Furniture and fittings	10 per cent. per annum
Office equipment	25 per cent. per annum

The depreciation method applied and the residual value and the useful life, are reviewed and adjusted, if appropriate, at the end of each reporting period.

Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and are subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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, 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortised cost (debt instruments)

  Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

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

- The rights to receive cash flows from the asset have expired

or

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement.

Impairment of financial assets

The Group 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 Group expects to receive.

For trade receivables the Group reviews receivables for signs of risk of default. This review covers each receivable by client taking into account length of debt, client communications and circumstances. Provisions and write offs are recognised. The review takes places regularly and at least at the reporting date.

Impairment of non-financial assets

At the end of each reporting period the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment reversals are recognised immediately in profit or loss.

Financial liabilities

Initial recognition and measurement

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.

Subsequent measurement

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss 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 comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability 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 the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Employee benefits

The Group contributes towards the state pension in accordance with local legislation. The only obligation of the Group is to make the required contributions. Costs are expensed in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position.

2.4 **Significant accounting judgements, estimates and assumptions**

In preparing the financial statements, the Directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted for in the period the change becomes known.

In the opinion of the Directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) 'Presentation of Financial Statements'.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact on the Group unfavourably as at the reporting date. An estimate of the future impact of the COVID pandemic is not practical to undertake. This matter is regularly reviewed.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the COVID pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

3. Revenue

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Major product lines			
Professional services[(i)]	3,010,061	3,079,330	3,205,147
Software as a Service (SaaS) subscriptions[(ii)]	2,656,299	3,681,882	4,087,538
	5,666,360	6,761,212	7,292,685

(i) Professional services – The Group provides customised and standard content to the customers and right to payment is established upon completion of performance obligation satisfied at a point in time. This includes non-recurring revenues from: (a) bespoke e-learning development projects for large corporates; (b) translations of those bespoke courses; (c) customisation of OTS courses for subscription clients; and (d) other content and technology consultancy.

(ii) SaaS subscriptions – The Group provides right of access of content to the customer over time for the subscription period ranging from 6 to 12 months. The revenue recognition is deferred for the remaining period of subscription. This includes subscriptions to: (a) Skillcast Portal – the Group's integrated compliance management application that comes with a broad range of tools, namely SELMS, Policy Hub, Compliance Declarations, Surveys, Compliance Registers, Training 360, Events Management and SMCR 360; and (b) the Skillcast OTS course libraries, namely Essentials, FCA Compliance, Insurance Compliance and Risk.

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2019 £	Year ended 31 Dec 2020 £
Geographic split			
UK	4,241,484	4,743,891	5,454,852
Europe	1,085,263	1,525,489	1,272,496
Rest of world	339,613	491,832	565,337
	5,666,360	6,761,212	7,292,685

4. Cost of sales

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2019 £	Year ended 31 Dec 2020 £
Profit before income tax includes the following cost of sales			
Staff cost	671,911	744,656	1,346,602
Subcontracted services	568,908	688,776	875,157
Direct costs	161,450	38,615	42,849
	1,402,269	1,472,047	2,264,608

5. Administrative expenses

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2019 £	Year ended 31 Dec 2020 £
Profit before income tax includes the following expenses			
Staff costs	1,720,418	2,252,674	2,361,136
Director's compensation	366,445	467,673	512,040
Professional fees	118,307	75,416	113,337
Depreciation of property, plant and equipment (Note 10)	57,036	50,026	48,039
Depreciation of right-of-use asset (Note 11)	–	207,092	172,340
Net exchange differences	(4,638)	(453)	7,409
Auditor's remuneration	17,000	20,000	33,152
Advertising	233,413	349,662	336,400
Other expenses	599,842	509,272	411,178
	3,107,823	3,931,362	3,995,031

6. Staff costs and employee information

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2019 £	Year ended 31 Dec 2020 £
Salaries & wages (ex directors)	2,058,182	2,596,091	3,225,488
Social security costs	258,438	343,790	415,398
Other payroll costs	75,709	57,449	66,852
	2,392,329	2,997,330	3,707,738

The Group companies contribute towards the state pension in accordance with local legislation. The only obligation of the companies is to make the required contributions. Costs are expensed in the period in which they are incurred.

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Number of staff			
Average number of staff during the period (ex directors)	43	51	63

7. Income tax expense/(credit)

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Current tax expense/(credit)	382,003	(261,238)	118,630
	382,003	(261,238)	118,630

8. Current assets – trade and other receivables

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Trade receivables	1,410,383	1,863,360	2,511,043
Less: Allowance for expected credit losses	–	(12,379)	(67,800)
	1,410,383	1,850,981	2,443,243
Prepayments and accrued income	72,507	189,984	242,664
Other receivables	253,432	744,756	788,442
	325,939	934,740	1,031,106
	1,736,322	2,785,721	3,474,349

Other receivables includes corporation tax rebate from Maltese government.

9. Current assets – cash and cash equivalents

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Cash at bank	2,524,190	3,358,022	3,799,758
Cash at hand	1,123	180	46
	2,525,313	3,358,202	3,799,804

Reconciliation to cash and cash equivalents at the end of the financial period

Balances as above	2,525,313	3,358,202	3,799,804
Balance as per statement of cash flows	2,525,313	3,358,202	3,799,804

10. Non-current assets – property, plant and equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer Software & Hardware	*Furniture and Fixtures*	*Office Equipment*	*Total*
Balance at 1 January 2018	37,976	46,765	1,528	86,269
Additions	34,493	29,189	5,647	69,329
Disposals	–	–	–	–
Depreciation expense	(41,561)	(11,585)	(3,890)	(57,036)
Balance at 31 December 2018	30,908	64,369	3,285	98,562
Balance at 1 January 2019	30,908	64,369	3,285	98,562
Additions	37,895	2,114	2,938	42,947
Disposals	–	–	–	–
Depreciation expense	(33,035)	(15,202)	(1,789)	(50,026)
Balance at 31 December 2019	35,768	51,281	4,434	91,483
Balance at 1 January 2020	35,768	51,281	4,434	91,483
Additions	57,089	17,666	554	75,309
Disposals	–	–	–	–
Depreciation expense	(35,378)	(6,748)	(5,913)	(48,039)
Balance at 31 December 2020	57,479	62,199	(925)	118,753

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Geographic split			
Property, plant and equipment			
UK	59,746	52,157	58,565
Malta	38,816	39,326	60,188
	98,562	91,483	118,753

11. Non-current assets – Right-of-use assets

	Leasehold property	*Car leases*	*Total*
Balance at 1 January 2018	–	–	–
Additions	–	–	–
Disposals	–	–	–
Depreciation expense	–	–	–
Balance at 31 December 2018	–	–	–
Balance at 1 January 2019	–	–	–
Additions	652,528	25,254	677,782
Disposals	–	–	–
Depreciation expense	(192,860)	(14,232)	(207,092)
Balance at 31 December 2019	459,668	11,022	470,690
Balance at 1 January 2020	459,668	11,022	470,690
Additions	(41,972)	6,975	(34,997)
Disposals	–		
Depreciation expense	(163,436)	(8,904)	(172,340)
Balance at 31 December 2020	254,260	9,093	263,353

The Group leases its office under agreement for three years with an option to extend. On renewal, the terms of the lease are renegotiated. Prior to 2019 the Group recognised expenditure related to office rents in relation to the period to which it related. From 2019 it recognised right-of-use assets in accordance with IFRS 16.

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Geographic split			
Right of use assets			
UK	–	240,165	93,602
Malta	–	230,525	169,751
	–	470,690	263,353

12. Current liabilities – Trade and other payables

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Trade payables	129,370	42,415	165,130
Accruals	71,314	49,731	76,988
Amount due to shareholders	110,797	18,397	7,638
Sales and payroll taxes	186,524	–	478,422
Other payables	15,660	644,599	–
	513,665	755,142	728,178

13. Current liabilities – Contract liability

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Deferred revenue	1,274,246	1,789,618	2,292,947

Contract liabilities represent subscription revenue that has not recognised revenue at the reporting date as performance obligations remain. Revenue is recognised over the subscription period, which is generally 12 months.

14. Current liabilities – Income tax

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Corporation tax payable	395,699	695,223	504,114

15. Non-current liabilities – Deferred tax

The deferred tax (liability)/asset for the year is analysed as follows:

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
At beginning of the period	(7,309)	(3,203)	(8,691)
Credited to statement of comprehensive income	4,106	(5,488)	13,803
At end of the period	(3,203)	(8,691)	5,112

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35 per cent. (2019: 35 per cent.). At 31 December the net deferred tax (liability)/asset related to the following:

Deferred tax asset			
Temporary differences – on non-current assets due to accelerated tax depreciation	–	–	5,112
Deferred tax liability			
– on non-current assets due to accelerated tax depreciation	(3,203)	(8,691)	–

16. Equity – issued capital

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Number	20,000,000	20,000,000	20,000,000
Par value per share (£)	0.0001	0.0001	0.0001
Total (£)	2,000	2,000	2,000

All the shares in the Company are fully paid up. The shares in the Company were swapped for shares in Inmarkets Group Ltd. The shares in Inmarkets Group Ltd were fully paid up.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

17. Key management personnel

The key management personnel are:

Vivek Dodd	Director and owns more than 50 per cent. of the shares in the parent company.
Edward Miller	Director
Catriona Razic	Director
Chris Backhouse	Director and provides key management personnel services through Enterprise FD Ltd.
Richard Amos	Director
Isabel Napper	Director
Sally-Ann Tilleray	Director

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Compensation for key management personnel.	366,445	467,673	512,040
Employer pension contributions for directors.	3,380	5,487	5,985

18. Related party transactions

The related parties companies are:

Inmarkets Group Ltd	Limited liability company registered in Malta. Company registration number is C73909. Registered office is 1, Sqaq il-Għadam, Mriehel, Birkirkara BKR3000, Malta. 100 per cent. subsidiary of overall parent, Skillcast Group plc.
Inmarkets International Ltd	Limited liability company registered in Malta. Company registration number is C39269. Registered office is 1, Sqaq il-Għadam, Mriehel, Birkirkara BKR3000, Malta. 100 per cent. subsidiary of overall parent, Skillcast Group plc.
Inmarkets Ltd	Limited liability company registered in England and Wales. Company registration number is 04267842. Registered office is 80 Leadenhall Street, London, EC3A 3DH, UK. 100 per cent. subsidiary of overall parent, Skillcast Group plc.

Transactions and outstanding balances in relation to related parties have been eliminated in preparing these financial statements.

19. Events after the reporting period

The impact of the COVID pandemic is ongoing and while the Group has not been significantly financially affected up to 31 December 2020 it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the UK Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the dividend declared as disclosed in note 22, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

20. Earnings per share

Earnings per share (EPS) is calculated on the basis of profit attributable to equity shareholders divided by the weighted average number of shares in issue for the year.

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Profit after tax (£)	776,990	1,599,236	904,118
Weighted average number of ordinary shares	20,000,000	20,000,000	20,000,000
Basic earnings per share (expressed in pence)	3.9	8.0	4.5

21. EBITDA

EBITDA is not defined or recognised under IAS. EBITDA is defined by the Group as 'earnings before interest, tax, depreciation and amortisation'. EBITDA is presented below as 'operating profit' plus all depreciation added back.

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Operating profit	1,156,268	1,357,803	1,033,046
Depreciation	57,036	257,118	220,379
EBITDA	1,213,304	1,614,921	1,253,425

22. Dividends

	Year ended 31 Dec 2018 £	*Year ended 31 Dec 2019* £	*Year ended 31 Dec 2020* £
Dividend declared	300,000	800,000	–
Dividend paid	300,000	400,000	400,000
Dividend declared per share (expressed in pence)	1.5	4.0	0.0

The Group's policy is to maintain consistent dividend payments. That said, in 2019 the Group declared a second dividend in advance of the Group restructuring and as a result did not declare a dividend in 2020. Despite the impact of the COVID pandemic a dividend of £400,000 was declared and paid in February 2021 and going forward the Board expects dividend payments to be consistent with existing dividend policy.

23. Financial instruments

The Group's activities are exposed to a variety of risk including foreign currency, credit and liquidity risk. The Group's overall financial risk management policy focuses on minimising potential adverse effects on its financial performance.

Financial risk management policies

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Pounds Sterling. The currency giving rise to this risk is primarily the Euro. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a natural hedge whenever possible, by matching the cash inflows (revenue stream) and cash outflows used for purposes such as capital and operational expenditure in the Euro.

Credit risk

The Group's exposure to credit risk arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating institutions.

The expected loss rates are based on the historic payment profiles of sales and the credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. Having performed its assessment, Management considered that the credit risk associated with the trade receivables of the Group is low. The loss allowance is shown in Note 9.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short- and long-term cash flow forecasts. The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. All current liabilities are repayable within one year.

Below summarises the maturity profile of the Group's financial lease liabilities, including interest payments, based on contractual undiscounted payments.

	Less than one year	*1-2 years*	*2-3 years*	*> 3 years*	*Total*
Year ended 31 December 2020	131,007	50,525	45,790	46,655	273,978
Year ended 31 December 2019	208,897	131,007	50,525	92,446	482,875
Year ended 31 December 2018	–	–	–	–	–

Capital risk management

The aim of the Group's capital management policy is to ensure the Group's ability to continue as a going concern, maintain a strong capital base in order to provide confidence to investors and creditors, and to sustain the future development of the business.

The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt in order to maintain the capital structure.

Capital is regarded as total equity, as recognised in the statement of financial position, plus cash less debt. Debt includes lease liabilities.

	As at 31 Dec 2018 £	*As at 31 Dec 2019* £	*As at 31 Dec 2020* £
Total equity	2,173,384	2,957,420	3,861,538
Plus: cash	2,525,313	3,358,202	3,799,804
Less debt: lease liability	–	(484,802)	(259,394)
Capital	4,698,697	5,830,820	7,401,948

There have been no events of default on the financing arrangements during the financial year.

24. Financing cash flows

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2019 £	Year ended 31 Dec 2020 £
Lease liability			
At 1 January	–	–	484,802
Additions	–	677,781	–
Interest expense	–	20,186	10,690
Lease payments	–	(213,165)	(201,103)
Disposal		–	(34,995)
At 31 December	–	484,802	259,394
Dividend liability			
At 1 January	–		407,600
Dividends declared	300,000	800,000	–
Dividend payments	(300,000)	(400,000)	(400,000)
At 31 December	–	400,000	7,600
Net financing payments	(300,000)	(613,165)	(601,103)
Financing per statement of cash flows	(300,000)	(613,165)	(601,103)

25. Restatement

The introduction of Skillcast Group plc at the head of the Group is considered to be a restructuring and as such the sale of Inmarkets Ltd by Inmarkets Group Ltd to Skillcast Group plc has been disregarded in the preparation of the financial statements. As a result the Group has restated its financial statements for 2019. Additional adjustments are detailed below.

The impact of the restatement on the statement of profit and loss and other comprehensive income

	2019 as previously stated	2019 restated		Variance
Revenue	6,761,212	6,761,212		–
Cost of sales	(1,474,476)	(1,472,047)	(i)	2,429
Gross profit	5,286,736	5,289,165		2,429
Administrative expenses	(3,950,290)	(3,931,362)	(ii)	18,928
Operating profit	1,336,446	1,357,803		21,357
Other income	947,396	585,984	(iii)	(361,412)
Loss on disposal of subsidiary	(1,260,101)	–	(iv)	1,260,101
Finance income	381	381		–
Finance expense	–	(20,186)	(v)	(20,186)
Profit before tax	1,024,122	1,923,982		899,860
Income tax expense	(412,917)	(324,746)	(iv)	88,171
Total comprehensive income for the year	611,205	1,599,236		988,031

(i)	Cost of sales	Reclassification of expenditure.
(ii)	Administrative expenses	Reclassification of expenditure.
(iii)	Other income	A proportion of the tax rebate due from the Maltese government has been deferred until adequate criteria exist for its recognition. This is expected to be fulfilled in 2021 when the entire amount will be recognised and reflected in the financial statements of 2021.

(iv)	Loss on disposal of subsidiary	The disposal of Inmarkets UK by Inmarkets Group Ltd to Skillcast Group plc has been reversed and the loss reversed.
(v)	Finance expense	Reclassification of expenditure.
(iv)	Income tax expense	An adjustment for corporation and deferred tax to correct the previously stated figures.

The impact of the restatement on the Statement of Financial Position

	2019 as previously stated	*2019 restated*		*Variance*
Non-current assets				
Property, plant and equipment	39,326	91,483	(i)	52,157
Right of use asset	230,523	470,690	(ii)	240,167
Deferred tax asset	636	–	(iii)	(636)
	270,485	562,173		291,688
Current assets				
Trade and other receivables	2,270,216	2,785,721	(iv)	515,505
Cash and cash equivalents	2,107,357	3,358,202	(v)	1,250,845
	4,377,573	6,143,923		1,766,350
Equity attributable to equity holders				
Share capital	2,000	2,000		–
Retained earnings	1,967,390	2,955,420	(vi)	988,030
	1,969,390	2,957,420		988,030
Non-current liabilities				
Lease liability	238,052	484,802	(vii)	246,750
Deferred tax liability	–	8,691	(viii)	8,691
	238,052	493,493		255,441
Current liabilities				
Trade and other payables	1,724,425	2,559,960	(ix)	835,535
Current tax liability	716,191	695,223	(x)	(20,968)
	2,440,616	3,255,183		814,567

(i)	Property, plant and equipment	Adding back of Inmarkets UK's PPE.
(ii)	Right of use asset	Adding back of Inmarkets UK's leased assets.
(iii)	Deferred tax asset	Deferred tax adjustment.
(iv)	Trade and other receivables	Add back disposal of Inmarkets UK and reduction for value of Maltese corporation tax rebate noted above.
(v)	Cash and cash equivalents	Adding back of Inmarkets UK's cash.
(vi)	Retained earnings	Impact on retained earnings of other transactions.
(vii)	Lease liability	Adding back of Inmarkets UK's leased liability.
(viii)	Deferred tax liability	Adding back Inmarket UK's deferred tax and adjustment to correct deferred tax.
(ix)	Trade and other payables	Adding back of Inmarkets UK's payables.
(x)	Current tax liability	Adding back Inmarket UK's corporation tax and adjustment to correct corporation tax.

PART IV

UNAUDITED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

Consolidated statement of comprehensive income

The unaudited statements of comprehensive income of the Group for the six-month period ended 30 June 2020 and 30 June 2021 are set out below:

Consolidated statement of profit or loss and other comprehensive income

	Note	*Unaudited Six months to 30 June 2020 £*	*Unaudited Six months to 30 June 2021 £*
Revenue	3	3,600,516	3,735,951
Cost of sales	4	(1,074,043)	(1,156,136)
Gross profit		2,526,473	2,579,815
Administrative expenses	5	(2,191,714)	(2,278,675)
Operating profit		334,759	301,140
EBITDA	23	420,401	379,929
Adjustment items	23	(79,948)	106,778
Adjusted EBITDA	23	340,453	486,707
Other income	7	–	1,650
Finance income		179	–
Finance expense		(7,163)	(4,035)
Profit before tax		327,775	298,755
Income tax expense	8	(65,489)	(74,454)
Total comprehensive income		262,286	224,301
Basic EPS (expressed in pence)	21	1.3	1.1

Consolidated statement of financial position

The audited statement of financial position of the Group as at 31 December 2020 and the unaudited statement as at 30 June 2021 are set out below:

	Note	*Audited as at 31 December 2020* £	*Unaudited as at 30 June 2021* £
Assets			
Non-current assets			
Property, plant and equipment	11	118,753	176,840
Right-of-use assets	12	263,353	213,626
		382,106	390,466
Current assets			
Trade and other receivables	9	3,474,349	2,429,654
Cash and cash equivalents	10	3,799,804	4,637,801
		7,274,153	7,067,455
Total assets		7,656,259	7,457,921
Issued capital and reserves attributable to owners			
Share capital	17	2,000	2,000
Retained earnings		3,874,738	3,699,039
		3,876,738	3,701,039
Liabilities			
Current liabilities			
Trade and other payables	13	728,178	1,096,051
Contract liability	14	2,292,947	2,233,599
Current lease liabilities		123,620	85,624
Income tax payable	15	504,114	234,036
		3,648,859	3,649,310
Non-current liabilities			
Long-term lease liabilities		135,774	112,684
Deferred tax liability	16	(5,112)	(5,112)
		130,662	107,572
Total liabilities		3,779,521	3,756,882
Total equity and liabilities		7,656,259	7,457,921

Consolidated statement of cash flows

The unaudited statements of cash flows of the Group for the six-months ended 30 June 2020 and 30 June 2021 are set out below:

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Cash flows from operating activities		
Profit before tax	327,775	298,755
Adjustments for:		
Depreciation of property, plant and equipment	24,019	29,063
Amortisation of right-of-use assets	61,623	49,727
Other income	–	(1,650)
Finance income	(179)	–
Finance expense	7,163	4,035
	420,401	379,930
(Increase)/decrease in trade and other receivables	(262,344)	1,044,695
Increase/(decrease) in trade and other payables	573,847	308,525
Cash generated from operations	731,904	1,733,150
Income taxes paid	(3,635)	(344,532)
Net cash flows from operating activities	728,269	1,388,618
Investing activities		
Purchases of property, plant and equipment	(36,543)	(87,150)
Sale of property, plant and equipment	–	1,650
Interest received	179	–
Net cash used in investing activities	(36,364)	(85,500)
Financing activities		
Principal paid on lease liabilities	(126,048)	(61,086)
Dividends paid	(400,000)	(400,000)
Interest paid on lease liabilities	(7,163)	(4,035)
Net cash (used in)/from financing activities	(533,211)	(465,121)
Net increase in cash and cash equivalents	158,694	837,997
Cash and cash equivalents at beginning of period	3,358,202	3,799,804
Cash and cash equivalents at end of period	3,516,896	4,637,801

Consolidated statement of changes in equity

The unaudited statements of changes in equity of the Group for the six-month period ended 30 June 2021 are set out below:

	Share capital £	*Retained earnings* £	*Total equity* £
1 January 2020	2,000	2,970,620	2,972,620
Comprehensive Income for the period			
Profit	–	262,286	262,286
Total comprehensive Income for the period	–	262,286	262,286
30 June 2020	2,000	3,232,906	3,234,906
1 January 2021	2,000	3,874,738	3,876,738
Comprehensive Income for the period			
Profit	–	224,301	224,301
Total comprehensive Income for the year	–	224,301	224,301
Contributions by and distributions to owners			
Dividends	–	(400,000)	(400,000)
Total contributions by and distributions to owners	–	(400,000)	(400,000)
30 June 2021	2,000	3,699,039	3,701,039

Notes to the consolidated financial statements
For six-month period ended 30 June 2021

1. General Information

Skillcast Group plc ('Company') is registered in the United Kingdom with registration number 12305914 and is limited by shares. Its registered office is at 80 Leadenhall Street, London, England, EC3A 3DH. The Company is the ultimate parent of Inmarkets Ltd, Inmarkets Group Ltd and Inmarkets International Ltd.

This report and financial statements reflect the consolidated activities and transactions of the Company and other group companies ('Group'). This report and financial statements reflect the acquisition of Inmarkets Group Ltd through a share swap and the acquisition of Inmarkets Ltd from Inmarkets Group Ltd as a restructuring of the group of companies. This is the first report and financial statements of the Company but as it reflects a restructuring of the Group it presents a consolidated position as if Skillcast Group plc had been incorporated and the head of the Group since 1 January 2018.

Up to the 28 July 2021 the Company was a private limited company. On the 28 July 2021 the Company re-registered as a public company under the name Skillcast Group plc. The Company did this in preparation of admission to the AIM market.

The Company is primarily involved in providing management services to other entities in the Group. The Group provides software and content subscriptions and related professional services to enable companies to transform their staff compliance. Operating from its two bases, in London and Malta, the Group helps companies across a broad spectrum of industry sectors in the UK, EU and in the rest of the world, to train their staff and demonstrate compliance with various laws, regulations, and standards that are relevant for their business.

The accounting year end of the Company and Group is 31 December. This interim report and financial statements presents activities and transactions for the six-month period to 30 June 2021.

2.1 **Basis of preparation and statement of compliance**

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They have been prepared under the historical cost convention and on a going concern basis. The financial statements are presented in Pounds Sterling, which is the Group's presentation currency. These financial statements are non-statutory and produced to support the process of admission to the AIM market.

A subsidiary is defined as an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations other than the share for share acquisition of Inmarkets Group Ltd by Skillcast Group plc in 2019 are accounted for under the acquisition method and merger relief has been taken on recognising the shares issued on acquisition, where applicable.

Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the financial statements. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually. If the consideration is less than the fair value of assets and liabilities acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition related costs are expensed as incurred.

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Intragroup losses may indicate an impairment which may require recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

2.2 **Changes in accounting policies and disclosures**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted for the annual reporting period ended 30 June 2021. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2.3 **Summary of significant accounting policies**

Revenue recognition

Professional services

The Group provides customised and standard content to its clients provided under fixed-price contracts which is generally non-recurring revenue.

Fixed price contracts are recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case contract revenue is only recognised to the extent of contract costs incurred that are recoverable. This is because either the Group is creating an asset with no alternative use to it and the contract contains the right to payment for work completed to date, or the client is simultaneously receiving and consuming the benefits of the Group's services as it performs.

Business development costs incurred as part of a bid or tender process are expensed as incurred. There are no material costs incurred during the period between the contract being awarded and service delivery commencing.

For fixed-price contracts, the client pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, an amount recoverable on contracts asset is recognised. Conversely, if the payments exceed the services rendered, a liability is recognised.

Amounts recoverable on contracts are included in current assets and represent revenue recognised on account.

Software as a Service (SaaS) subscriptions

The Group provides right of access of content to clients for subscription periods ranging from six to twelve months.

Revenue is recognised evenly over the contractual period of the subscription as the client simultaneously receives and consumes the benefits of the Group's services.

The balance of the revenue which has not been recognised at the reporting date is deferred as a contract liability in current liabilities, until it is due to be recognised as revenue.

Where a contract includes multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices where available.

Segmentation

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker (which takes the form of the Board of Directors of the Group), in order to allocate resources to the segment and to assess its performance. The Directors of the Group consider the Group is organised as one business unit and all assets, liabilities, revenues and expenditure are retained and recorded as such. However, the Group does analyse revenue by type of revenue, namely SaaS subscriptions and Professional Services, and on a geographic basis.

Foreign currencies

The financial statements are presented in the Group's functional currency, Pounds Sterling, being the currency of the primary economic environment in which the Group operates. Transactions denominated in currencies other than the functional currency are translated at the rates of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in the statement of comprehensive income, except in the case of significant exchange differences arising on investing or financing activities, which are classified within investment income, investment losses or finance costs as appropriate.

Taxes

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount 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 taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In Malta, Inmarkets Group Ltd is able to reclaim a proportion of the corporation tax paid by its subsidiary, Inmarkets International Ltd, as long as it meets certain criteria laid down by the Maltese tax authorities. The criteria include that the relevant corporation tax has been paid by Inmarkets International Ltd and that dividends to Inmarkets Group Ltd have been declared by Inmarkets International and are payable to non-Maltese tax resident shareholders. It is Group policy to reclaim Maltese corporation tax to the fullest extent permissible and to recognise this income in Inmarkets Group Ltd based upon dividends declared, or that will be declared once tax returns are completed, for the financial year. The reclaimed corporation tax is presented as netted off with the income tax expense and in other receivables.

Property, plant and equipment

The Group's property, plant and equipment are classified into the following classes – Furniture and fittings, computer hardware and software, and plant and machinery.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Computer hardware	25 per cent. per annum
Computer software	33 per cent. per annum
Furniture and fittings	10 per cent. per annum
Office equipment	25 per cent. per annum

The depreciation method applied and the residual value and the useful life, are reviewed and adjusted, if appropriate, at the end of each reporting period.

Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, Inmarkets 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

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

- The rights to receive cash flows from the asset have expired

or

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement.

Impairment of financial assets

The Group 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 Group expects to receive.

For trade receivables the Group reviews receivables for signs of risk of default. This review covers each receivable by client taking into account length of debt, client communications and circumstances. Provisions and write offs are recognised. The review takes places regularly and at least at the reporting date.

Impairment of non-financial assets

At the end of each reporting period the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment reversals are recognised immediately in profit or loss.

Financial liabilities

Initial recognition and measurement

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.

Subsequent measurement

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss 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 comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability 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 the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

All assets are tested for impairment except for financial assets measured at fair value through profit or loss. At the end of each reporting period the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

For loans and receivables, if there is objective evidence that an impairment loss has been incurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced directly.

In the case of other assets tested for impairment, the recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss.

For loans and receivables, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised; the previously recognised impairment loss is reversed directly.

In the case of other assets tested for impairment, an impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment reversals are recognised immediately in profit or loss.

Employee benefits

The Group contributes towards the state pension in accordance with local legislation. The only obligation of the Group is to make the required contributions. Costs are expensed in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position.

2.4 **Significant accounting judgements, estimates and assumptions**

In preparing the financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted for in the period the change becomes known.

In the opinion of the directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) 'Presentation of Financial Statements'.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact on the Group unfavourably as at the reporting date. An estimate of the future impact of the COVID pandemic is not practical to undertake. This matter is regularly reviewed.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the COVID pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

3. Revenue

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Major product lines		
Professional services[(i)]	1,534,408	1,385,872
Software as a Service (SaaS) subscriptions[(ii)]	2,066,108	2,350,079
	3,600,516	3,735,951

(i) Professional services – The Group provides customised and standard content to the customers and right to payment is established upon completion of performance obligation satisfied at a point in time. This includes non-recurring revenues from: (a) bespoke e-learning development projects for large corporates; (b) translations of those bespoke courses; (c) customisation of OTS courses for subscription clients; and (d) other content and technology consultancy.

(ii) SaaS subscriptions – The Group provides right of access of content to the customer over time for the subscription period ranging from 6 to 12 months. The revenue recognition is deferred for the remaining period of subscription. This revenue includes subscriptions to: (a) Skillcast Portal – the Group's integrated compliance management application that comes with a broad range of tools, namely SELMS, Policy Hub, Compliance Declarations, Surveys, Compliance Registers, Training 360, Events Management and SMCR 360; and (b) the Skillcast OTS course libraries, namely Essentials, FCA Compliance, Insurance Compliance and Risk.

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Geographic split		
UK	2,828,766	2,925,387
Europe	510,312	511,713
Rest of world	261,438	298,851
	3,600,516	3,735,951

4. Cost of sales

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Profit before income tax includes the following cost of sales		
Staff cost	661,481	772,809
Subcontracted services	389,025	350,886
Direct costs	23,537	32,441
	1,074,043	1,156,136

5. Administrative expenses

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Profit before income tax includes the following expenses		
Staff costs	1,127,016	1,361,132
Director's compensation	331,018	392,430
Professional fees	86,851	(10,350)
Depreciation of property, plant and equipment (Note 11)	24,020	29,062
Depreciation of right-of-use asset (Note 12)	61,622	49,727
Net exchange differences	5,076	3,763
Auditor's remuneration	15,970	17,583
Advertising	130,712	79,029
Other expenses	409,429	356,299
	2,191,714	2,278,675

6. Staff costs and employee information

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Salaries & wages (ex directors)	1,560,566	1,867,878
Social security costs	193,741	229,157
Other payroll costs	34,190	36,906
	1,788,497	2,133,941

The Group companies contribute towards the state pension in accordance with local legislation. The only obligation of the companies is to make the required contributions. Costs are expensed in the period in which they are incurred.

Number of staff

Average number of staff during the period (ex directors)	61	71

7. Other income

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Sale of property, plant and equipment	–	1,650

8. Income tax expense

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Current tax expense	65,489	74,454
Deferred tax expense	–	–
	65,489	74,454

9. Current assets – trade and other receivables

	Audited as at 31 December 2020 £	*Unaudited as at 30 June 2021* £
Trade receivables	2,511,043	1,807,129
Less: Allowance for expected credit losses	(67,800)	(29,350)
	2,443,243	1,777,779
Prepayments and accrued income	242,664	165,092
Other receivables including corporation tax rebate from Maltese government	788,442	486,783
	1,031,106	651,875
	3,474,349	2,429,654

10. Current assets – cash and cash equivalents

	Audited as at 31 December 2020 £	*Unaudited as at 30 June 2021* £
Cash at bank	3,799,804	4,637,801
Reconciliation to cash and cash equivalents at the end of the financial period		
Balances as above	3,799,804	4,637,801
Balance as per statement of cash flows	3,799,804	4,637,801

11. Non-current assets – property, plant and equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial periods are set out below:

	Leasehold improvements	*Computer Software & Hardware*	*Furniture and Fixtures*	*Office Equipment*	*Total*
Balance at 1 January 2020	–	48,676	34,152	8,658	91,486
Additions	–	57,087	17,665	554	75,306
Disposals	–	–	–	–	–
Depreciation expense	–	(35,377)	(6,748)	(5,914)	(48,039)
Balance at 31 December 2020	–	70,386	45,069	3,298	118,753
Balance at 1 January 2021	–	70,386	45,069	3,298	118,753
Additions	16,109	35,595	36,635	461	88,800
Disposals	–	–	(1,650)	–	(1,650)
Depreciation expense	(1,342)	(21,456)	(5,064)	(1,201)	(29,063)
Balance at 30 June 2021	14,767	84,525	74,990	2,558	176,840

	Unaudited Six months to 30 June 2020 £	Unaudited Six months to 30 June 2021 £
Geographic split		
Property, plant and equipment		
UK	58,102	100,047
Malta	45,905	76,793
	104,007	176,840

12. Non-current assets – Right-of-use assets

Reconciliations of the written down values at the beginning and end of the current and previous financial periods are set out below:

	Leasehold property	*Car leases*	*Total*
Balance at 1 January 2020	459,668	11,022	470,690
Additions	(41,972)	6,975	(34,997)
Disposals	–		
Depreciation expense	(163,436)	(8,904)	(172,340)
Balance at 31 December 2020	254,260	9,093	263,353
Balance at 1 January 2021	254,260	9,093	263,353
Additions	–	–	–
Disposals	–	–	–
Depreciation expense	(45,322)	(4,405)	(49,727)
Balance at 30 June 2021	208,938	4,688	213,626

The Group leases its office under agreement for three years with an option to extend. On renewal, the terms of the lease are renegotiated.

	Unaudited Six months to 30 June 2020 £	Unaudited Six months to 30 June 2021 £
Geographic split		
Right of use assets		
UK	179,906	62,847
Malta	229,161	150,779
	409,067	213,626

13. Current liabilities – trade and other payables

	Audited as at 31 December 2020 £	*Unaudited as at 30 June 2021* £
Trade payables	165,130	98,231
Accruals	76,998	131,872
Amount due to shareholders	7,638	7,638
Sales and payroll taxes	478,422	854,982
Other payables	–	3,328
	728,178	1,096,051

14. Current liabilities – Contract liability

	Audited as at 31 December 2020 £	*Unaudited as at 30 June 2021* £
Deferred revenue	2,292,947	2,233,599

Contract liabilities represent subscription revenue that has not recognised revenue at the reporting date as performance obligations remain. Revenue is recognised over the subscription period, which is generally 12 months.

15. Current liabilities – income tax

	Audited as at 31 December 2020 £	*Unaudited as at 30 June 2021* £
Corporation tax payable	504,114	234,036

16. Non-current liabilities – Deferred tax

The deferred tax (liability)/asset for the year is analysed as follows.

At beginning of the period		
Credited to statement of comprehensive income	(8,691)	5,112
At end of the period	13,803	–
	5,112	5,112

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35 per cent. (2019: 35 per cent.). At 31 December the net deferred tax (liability)/asset related to the following:

Deferred tax asset		
Temporary differences		
– on non-current assets due to accelerated tax depreciation	5,112	5,112

17. Equity – issued capital

	Audited as at 31 December 2020	*Unaudited as at 30 June 2021*
Number	20,000,000	20,000,000
Par value per share (GBP)	0.0001	0.0001
Total (GBP)	2,000	2,000

All the shares in the Company are fully paid up. The shares in the Company were swapped for shares in Inmarkets Group Ltd. The shares in Inmarkets Group Ltd were fully paid up.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of The Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

18. Key management personnel

The key management personnel are:

Vivek Dodd	Director and owns more than 50 per cent. of the shares in the parent company.
Edward Miller	Director
Catriona Razic	Director
Chris Backhouse	Director and provides key management personnel services through Enterprise FD Ltd.
Richard Amos	Director
Isabel Napper	Director
Sally-Ann Tilleray	Director

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Compensation for key management personnel	331,018	392,430
Employer pension contributions for directors	2,993	2,993

19. Related party transactions

The related parties companies are:

Inmarkets Group Ltd	Limited liability company registered in Malta. Company registration number is C73909. Registered office is 1, Sqaq il-Għadam, Mriehel, Birkirkara BKR3000, Malta. 100 per cent. subsidiary of overall parent, Skillcast Group plc.

Inmarkets International Ltd	Limited liability company registered in Malta. Company registration number is C39269. Registered office is 1, Sqaq il-Għadam, Mriehel, Birkirkara BKR3000, Malta. 100 per cent. subsidiary of overall parent, Skillcast Group plc.
Inmarkets Ltd	Limited liability company registered in England and Wales. Company registration number is 04267842. Registered office is 80 Leadenhall Street, London, EC3A 3DH, UK. 100 per cent. subsidiary of overall parent, Skillcast Group plc.

Transactions and outstanding balances in relation to related parties have been eliminated in preparing these financial statements.

20. Events after the reporting period

The impact of the COVID pandemic is ongoing and while the Group has not been significantly financially affected up to 30 June 2021 it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the UK Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the dividend declared as disclosed in note 24, no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

21. Earnings per share

Earnings per share (EPS) is calculated on the basis of profit attributable to equity shareholders divided by the weighted average number of shares in issue for the year.

	Unaudited Six months to 30 June 2020	*Unaudited Six months to 30 June 2021*
Profit after tax (£)	262,286	224,301
Weighted average number of ordinary shares	20,000,000	20,000,000
Basic earnings per share (expressed in pence)	1.3	1.1

22. Alternative Performance Measures

Directors use Alternative Performance Measures (APM) to assess the performance of the business.

Annual Recurring Revenue (ARR) is used to assess the performance and trend of subscription revenue. It is defined as follows:

ARR is calculated by multiplying the Monthly Recurring Revenue (MRR) by 12.

MRR is defined as the subscription revenue that was recognised in a month excluding any retrospective adjustments for the number of subscribers.

	Unaudited as at 30 June 2020 £	*Unaudited as at 30 June 2021* £
ARR	4,016,692	5,139,879

23. EBITDA and adjusted EBITDA

EBITDA is not defined or recognised under IAS. EBITDA is defined by the Group as 'earnings before interest, tax, depreciation and amortisation'. EBITDA is presented below as 'operating profit' plus all depreciation added back.

The Group also presents 'adjusted EBITDA' as the directors believe it presents a more meaningful measure of performance. The Group incurred leasehold depreciation in 2019 and 2020. In calculating 'adjusted EBITDA' an amount equivalent to the rent of the leased items has been deducted from EBITDA in 2019 and 2020. The Group incurred certain administrative expenses in anticipation of the Placing and Admission so as to deliver the anticipated growth in the business post-Admission. Had the decision to undertake the Placing and Admission not been taken by the Group, then such expenditure would not have been incurred. In calculating 'adjusted EBITDA' such 'non-recurring expenditure' has been added back to EBITDA.

	Unaudited Six months to 30 June 2020 £	*Unaudited Six months to 30 June 2021* £
Operating profit	334,759	301,140
Depreciation	85,642	78,789
EBITDA	420,401	379,929
Rent equivalent	(104,448)	(65,504)
Non-recurring expenditure	24,500	172,282
Adjusted EBITDA	340,453	486,707

24. Dividends

	Unaudited as at 30 June 2020 £	*Unaudited as at 30 June 2021* £
Dividend declared and paid	–	400,000
Dividend declared per share (expressed in pence)	0.0	2.0

The Group's policy is to maintain constant dividend payments. That said, in 2019 the Group paid a second dividend in advance of the Group restructuring and as a result did not pay a dividend in 2020. Despite the impact of the COVID pandemic a dividend of £400,000 was paid in February 2021 and going forward the Board expects dividend payments to be consistent with existing dividend policy.

PART V

ADDITIONAL INFORMATION

1. The Company

1.1 The Company is registered in England and Wales and was incorporated in England and Wales on 8 November 2019 as a limited liability company.

1.2 Effective on 28 July 2021, the Company re-registered as a public limited company, with the name "Skillcast Group plc".

1.3 The liability of the members of the Company is limited.

1.4 The Company is and its securities are governed by the Act.

1.5 The Company's registered office is at 80 Leadenhall Street, London EC3A 3DH, United Kingdom. The telephone number of its registered office is 020 7929 5000.

1.6 The principal activities of the Company are to act as the holding company for the Group whose principal activities are the provision of cloud-based e-learning and RegTech software to enable companies to implement staff compliance and related professional services.

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

2. Subsidiaries

The Company is the holding company of the Group. The following table contains details of the Company and the Company's subsidiaries.

Company name	*Principal activity*	*Country of incorporation*	*Percentage ownership (%)*
Skillcast Group plc	Holding Company	England and Wales	–
Inmarkets Group Limited	Holding Company	Malta	100%
Inmarkets Limited	Operating Company	England and Wales	100%
Inmarkets International Limited	Operating Company	Malta	100%

3. Share Capital

3.1 The Company was incorporated with a share capital of 1 A ordinary share with a nominal value of £0.0001.

3.2 On 25 November 2019, the share capital was increased from £0.0001 to £2,000 by the issue and allotment of:

3.2.1 19,660,000 A ordinary shares with a nominal value of £0.0001 per share; and

3.2.2 340,000 B ordinary shares with a nominal value of £0.0001 per share.

3.3 On 22 July 2021, the Company passed resolutions to:

3.3.1 re-register the Company as a public company under the Act and to change the name of the Company with effect from such re-registration to "Skillcast Group plc";

3.3.2 adopt new articles of association in substitution for, and to the exclusion of, the then existing articles of association;

3.3.3 restructure its share capital as follows:

(a) re-designate the 19,660,000 A ordinary shares of £0.0001 each in the capital of the Company as 19,660,000 ordinary shares of £0.0001 each, having the rights set out in the articles of association of the Company to be adopted pursuant to the resolution referred to in 3.3.2 above;

(b) re-designate the 340,000 B ordinary shares of £0.0001 each in the capital of the Company as 340,000 ordinary shares of £0.0001 each;

(c) issue 780,000,000 ordinary shares of £0.0001 each through the capitalisation of £78,000 standing to the credit of the Company's profit and loss account; and

(d) consolidate 800,000,000 ordinary shares of £0.0001 each into 80,000,000 ordinary shares of £0.001 each (the "**Ordinary Shares**");

3.3.4 adopt the New Articles with effect from Admission in substitution for and to the exclusion of the then existing articles of association;

3.3.5 subject to and immediately prior to Admission, authorise its directors generally and unconditionally in accordance with section 551 of the Act to exercise all powers of the Company to allot Ordinary Shares and to grant rights to subscribe for, or to convert any security into, Ordinary Shares ("**Rights**") up to the following nominal amounts:

(a) up to an aggregate nominal amount of £20,000 in connection with the Placing;

(b) other than pursuant to the authority granted in paragraph (a) above:

(i) up to an aggregate nominal amount of £33,333 or, if less, the nominal value of one third of the issued share capital of the Company immediately following Admission;

(ii) up to an aggregate nominal amount of £66,666 or, if less, the nominal value of two thirds of the issued share capital of the Company immediately following Admission (such amount to be reduced by the nominal amount of any Rights allotted or granted under paragraph (i) above) in connection with an offer by way of a rights issue or other pre-emptive offer to:

(I) the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and

(II) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that, in each case, the directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter,

such authorities to expire on the earlier of the next AGM of the Company held after the date on which the resolution became unconditional and the date 15 months after the passing of the resolution, save that the Company may at any time before such expiry make any offer(s) or enter into any agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. The resolution had the effect of revoking and replacing all unexercised authorities previously granted to the directors to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities;

3.3.6 conditional on the passing of the resolutions referred to in paragraph 3.3.5 above, authorise the Directors in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) of the Company for cash as if section 561(1) of the Act did not apply to any such allotment, save that the authority granted is limited to:

(a) up to an aggregate nominal amount of £20,000 in connection with the Placing;

(b) other than pursuant to the authority granted in paragraph (a) above, the allotment of equity securities:

(i) in connection with an offer by way of a rights issue or other pre-emptive offer to:

(I) the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and

(II) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that, in each case, the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter; and

(ii) other than pursuant to the authority granted in paragraph (i) above, up to a maximum aggregate nominal value of £10,000 (or, if less, the nominal value of 10 per cent of the issued share capital of the Company immediately following Admission),

such authorities to expire on the earlier of the next AGM of the Company held after the date on which the resolution became unconditional and the date 15 months after the passing of the resolution, save that the Company may at any time before such expiry make any offer(s) or enter into any agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. The resolution had the effect of revoking and replacing all unexercised authorities previously granted to the directors to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities; and

3.3.7 conditional on the passing of the resolutions referred to in paragraph 3.3.5 above, authorise the Directors in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) of the Company for cash as if section 561(1) of the Act did not apply to any such allotment, save that the authority granted shall be:

(a) limited to up to a maximum aggregate nominal value of £10,000 (or, if less, the nominal value of 10 per cent of the issued share capital of the Company immediately following Admission); and

(b) only for the purpose of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights,

such authority to expire on the earlier of the next AGM of the Company held after the date on which the resolution became unconditional and the date 15 months after the passing of the resolution, save that the Company may at any time before such expiry make any offer(s) or enter into any agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. The resolution had the effect of revoking and replacing all unexercised authorities previously granted to the directors to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

3.4. On 23 November 2021, Options in respect of 4,690,000 Ordinary Shares were granted, subject to and conditional upon Admission, under the terms of the EMI Plan. Details of the Options are set out in paragraph 9 of Part V of this Document.

3.5 As at the date of this Document and, assuming that the Placing is fully subscribed, immediately following Admission, the issued and fully paid up share capital of the Company is, and will be, as follows:

Class of share	*Number of shares*	*Nominal value per share*	*Issued and fully paid number of shares*
As at the date of this Document			
Ordinary	80,000,000	£0.001	80,000,000
Immediately following Admission			
Ordinary	89,459,460	£0.001	89,459,460

3.6 The Company has no issued Ordinary Shares that are not fully paid up.

3.7 The Ordinary Shares may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Company's registrars, Link Market Services Limited, are responsible for keeping the Company's register of members.

3.8 Save as disclosed in this Document and as at the date of this Document:

3.8.1 no share or loan capital of the Company has been issued or is proposed to be issued;

3.8.2 there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

3.8.3 there are no Ordinary Shares not representing capital;

3.8.4 there are no Ordinary Shares held by or on behalf of the Company itself or by its subsidiaries;

3.8.5 there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company or undertakings to increase the share capital of the Company;

3.8.6 no person has any preferential subscription rights for any share capital of the Company;

3.8.7 no commissions, discounts, brokerages or other special items have been granted by the Company since its incorporation in connection with the issue or sale of any Ordinary Shares or loan capital of the Company; and

3.8.8 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

3.9 The Ordinary Shares have no redemption or conversion provisions.

3.10. The Ordinary Shares all rank pari passu with one another, having equal right to participate in any dividend, distribution or return of capital and having equal voting rights.

3.11 The ISIN for the Ordinary Shares is GB00BNLXS042.

4. Substantial Shareholder(s)

4.1 As at the date of this Document and, assuming that the Placing is fully subscribed, immediately following Admission, save for the persons set out below, the Directors are not aware of any beneficial holding of Ordinary Shares representing three per cent. or more of the Company's issued share capital nor, so far as the Directors are aware, are there any persons who, directly or indirectly, jointly or severally, exercise control over the Company:

	As at the date of this Document		*Immediately following Admission*	
Shareholder	*Number of Ordinary Shares*	*Percentage shareholding (%)*	*Number of Ordinary Shares*	*Percentage shareholding (%)*
Vivek Dodd[1]	53,640,000	67.05	53,099,459	59.36
Anthony Miller	7,800,000	9.75	7,124,324	7.96
Gurmakh Minhas	6,000,000	7.50	5,189,190	5.80
Catriona Razic	5,600,000	7.00	4,924,324	5.50
Morten Damsleth	2,400,000	3.00	2,400,000	2.68
Canaccord Genuity Inc	–	–	4,244,629	4.74
Gresham House Asset Management Limited	–	–	4,244,629	4.74

1 Including 640,000 Ordinary Shares held by Jitka Dodd.

4.2 The shareholdings of the members of the Concert Party as at the date of this Document and immediately following Admission will be as follows:

	As at the date of this Document		*Immediately following Admission*	
Shareholder	*Number of Ordinary Shares*	*Percentage shareholding (%)*	*Number of Ordinary Shares*	*Percentage shareholding (%)*
Vivek Dodd	53,000,000	66.25	52,459,459	58.64
Anthony Miller	7,800,000	9.75	7,124,324	7.96
Gurmakh Minhas	6,000,000	7.50	5,189,190	5.80
Catriona Razic	5,600,000	7.00	4,924,324	5.50
Morten Damsleth	2,400,000	3.00	2,400,000	2.68
Jitka Dodd	640,000	0.80	640,000	0.72
Total	75,440,000	94.30	72,737,297	81.31

4.3 There are no arrangements of which the Directors are aware which may result in a change of control of the Company.

4.4 The Ordinary Shares held by the Shareholders set out in paragraph 4.1 above rank pari passu with all other Ordinary Shares and, in particular, the Shareholders set out in paragraph 4.1 above have no different voting rights than other Shareholders. Following Admission no Shareholder will have different voting rights to any other Shareholder.

5. Directors' Interests

5.1 The beneficial interests of the Directors and connected persons (within the meaning of sections 252 and 253 of the Act) in the Ordinary Share capital of the Company as at the date of this Document and, assuming that the Placing is fully subscribed, immediately following Admission are set out below:

	As at the date of this Document		*Immediately following Admission*		
Name	*Number of Ordinary Shares*	*Percentage shareholding (%)*	*Number of Ordinary Shares*	*Percentage shareholding (%)*	*Options over Ordinary Shares*[2]
Vivek Dodd[1]	53,640,000	67.05	53,099,459	59.36	–
Anthony Miller	7,800,000	9.75	7,124,324	7.96	–
Catriona Razic	5,600,000	7.00	4,924,324	5.50	–
Christopher Backhouse	–	–	67,568	0.08	80,000
Richard Amos	–	–	67,568	0.08	80,000
Isabel Napper	–	–	54,054	0.06	50,000
Sally Tilleray	–	–	54,054	0.06	50,000

1 Including 640,000 Ordinary Shares held by Jitka Dodd.
2 Options were granted on 23 November 2021, subject to and conditional upon Admission.

5.2 Further detail on the options held by the Directors is set out in paragraph 9 of Part V of this Document.

5.3 None of the Directors (nor any member of their families) has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

5.4 The voting rights of the Directors set out in paragraph 5.1 above do not differ from the voting rights held by other Shareholders.

6. The Selling Shareholders

6.1. The names of the Selling Shareholders, the number of Ordinary Shares held by them immediately prior to Admission, the number of Sale Shares being sold by them as part of the Placing and the number of Ordinary Shares expected to be held by them immediately following Admission and completion of the Placing are as follows:

Selling Shareholder	*Business Address*	*Number of Ordinary Shares immediately prior to Admission*	*Number of Ordinary Shares being sold as part of the Placing*	*Number of Ordinary Shares immediately following Admission*
Vivek Dodd	80 Leadenhall Street London EC3A 3DH	53,000,000	540,541	52,459,459
Catriona Razic	80 Leadenhall Street London EC3A 3DH	5,600,000	675,676	4,924,324
Anthony Miller	80 Leadenhall Street London EC3A 3DH	7,800,000	675,676	7,124,324
Gurmakh Minhas	82 Tycehurst Hill Loughton Essex IG10 1DA	6,000,000	810,810	5,189,190

7. Directors' Service Agreements and Letters of Appointment

7.1 Set out below are details of the terms and conditions governing the engagement by the Company of the Directors:

7.1.1 Vivek Dodd was appointed a director of the Company on 25 November 2019. Inmarkets Limited entered into a new service agreement with Mr Dodd on 1 October 2021. This sets out the terms of his appointment as Chief Executive Officer of the Company. Under the agreement, he is entitled to fixed basic remuneration of £96,000 per annum, payable in equal monthly instalments of £8,000 on or around 30 days after Mr Dodd issues an invoice. Mr Dodd is currently classified as non-domiciled in the United Kingdom for all relevant tax purposes, and currently lives and works from the Czech Republic. Mr Dodd is registered with the local Czech Republic tax authorities and is permitted to submit invoices and receive his fixed remuneration in this way. Mr Dodd has agreed that he is solely liable for any and all tax and social security liabilities that may arise as a result of this remuneration arrangement or his engagement with the Company. Either party may terminate the agreement on six months' notice. Subject to certain exceptions and/or with the consent of the Board, the agreement restricts Mr Dodd from holding in excess of 5 per cent. of the issued share capital in any company whose securities are admitted to trading on the London Stock Exchange or on AIM, or on any recognised stock exchange, and from being engaged in activities which may either be harmful to the interests of the Group, or which might reasonably be considered to interfere with his duties to the Company. There are also provisions which, in the event of termination, restrict Mr Dodd from engaging in or having an interest in a competitor and which restrict him from soliciting or dealing with the Group's customers (and prospective customers); interfering with the Group's suppliers; and poaching key employees of the Group. Each of these restrictions apply for a period of nine months following the termination of employment. The agreement contains provisions protecting the Group's confidential information and intellectual property. Mr Dodd is not entitled to any benefits on termination of employment above those which would apply during his notice period.

7.1.2 Catriona Razic was appointed a director of the Company on 8 November 2019. Inmarkets Limited entered into a new service agreement with Ms Razic on 23 August 2021. This sets out the terms of her appointment as Chief Commercial Officer of the Company. Under the agreement, she is entitled to a salary of £120,000 per annum, together with a bonus which is payable subject to the Company exceeding its minimum targets and other applicable eligibility criteria. Either party may terminate the agreement on 12 months' notice. Subject to certain exceptions and/or with the consent of the Board, the agreement restricts Ms Razic from holding in excess of 5 per cent. of the issued share capital in any company whose securities are admitted to trading on the London Stock Exchange or on AIM, or on any recognised stock exchange, and from being engaged in activities which may either be harmful to the interests of the Group, or which might reasonably be considered to interfere with her duties to the Company. There are also provisions which, in the event of termination, restrict Ms Razic from engaging in or having an interest in a competitor and which restrict her from soliciting or dealing with the Group's customers (and prospective customers); interfering with the Group's suppliers; and poaching key employees of the Group. Each of these restrictions apply for a period of nine months following the termination of employment. The agreement contains provisions protecting the Group's confidential information and intellectual property. Ms Razic is not entitled to any benefits on termination of employment above those which would apply during her notice period (although if a payment in lieu of notice is made this will exclude any bonus that might otherwise have been paid during what would have been the notice period).

7.1.3 Anthony Miller was appointed a director of the Company on 25 November 2019. Inmarkets Limited entered into a new service agreement with Mr Miller on 23 August 2021. This sets out the terms of his appointment as Chief Technology Officer of the Company. Under the agreement, he is entitled to a salary of £120,000 per annum, together with a bonus which is payable subject to the Company exceeding its minimum targets and other applicable eligibility criteria. Either party may terminate the agreement on 12 months' notice. Subject to certain exceptions and/or with the consent of the Board, the agreement restricts Mr Miller from holding in excess of 5 per cent. of the issued share capital in any company whose securities are admitted to trading on the London Stock Exchange or on AIM, or on any recognised stock exchange, and from being engaged in activities which may either be harmful to the interests of the Group, or which might reasonably be considered to interfere with her duties to the

Company. There are also provisions which, in the event of termination, restrict Mr Miller from engaging in or having an interest in a competitor and which restrict him from soliciting or dealing with the Group's customers (and prospective customers); interfering with the Group's suppliers; and poaching key employees of the Group. Each of these restrictions apply for a period of nine months following the termination of employment. The agreement contains provisions protecting the Group's confidential information and intellectual property. Mr Miller is not entitled to any benefits on termination of employment above those which would apply during his notice period (although if a payment in lieu of notice is made this will exclude any bonus that might otherwise have been paid during what would have been the notice period).

7.1.4 Chris Backhouse was appointed a director of the Company on 2 August 2021. Inmarkets Limited entered into a new part-time service agreement with Mr Backhouse on 1 October 2021. This sets out the terms of his appointment as Chief Financial Officer of the Company. Under the agreement, he is entitled to a salary of £30,000 per annum. Either party may terminate the agreement on 6 months' notice. Subject to certain exceptions and/or with the consent of the Board, the agreement restricts Mr Backhouse from holding in excess of 5 per cent. of the issued share capital in any company whose securities are admitted to trading on the London Stock Exchange or on AIM, or on any recognised stock exchange, and from being engaged in activities which may either be harmful to the interests of the Group, or which might reasonably be considered to interfere with her duties to the Company. There are also provisions which, in the event of termination, restrict Mr Backhouse from engaging in or having an interest in a competitor and which restrict him from soliciting or dealing with the Group's customers (and prospective customers); interfering with the Group's suppliers; and poaching key employees of the Group. Each of these restrictions apply for a period of nine months following the termination of employment. The agreement contains provisions protecting the Group's confidential information and intellectual property. Mr Backhouse is not entitled to any benefits on termination of employment above those which would apply during his notice period (although if a payment in lieu of notice is made this will exclude any bonus that might otherwise have been paid during what would have been the notice period). Mr Backhouse is a director and controlling shareholder of Enterprise FD Limited, which provides financial director services and support to the Company as further outlined in paragraph 12 of Part V of this Document.

7.1.5 Richard Amos was appointed as a director and Chair of the Board of Directors of the Company on 1 August 2021. The Company entered into a letter of appointment with Mr Amos on 1 July 2021. This letter sets out the terms of Mr Amos' appointment as the Company's Chairman for a fixed term of three years, subject to annual review, save that either party may terminate the appointment on three months' notice. Under the letter of appointment, Mr Amos is entitled to an annual fee of £72,000 and reimbursement of reasonable expenses but no other remuneration. The letter includes additional provisions which are relevant to Mr Amos' appointment, including restrictions in relation to the disclosure of the Group's confidential information. On termination of the appointment, Mr Amos is not entitled to anything more than accrued fees as at the date of termination plus reimbursement of expenses properly incurred to that date.

7.1.6 Isabel Napper was appointed as a director, Chair of the Remuneration and Nomination Committee and Senior Independent Director on 1 August 2021. The Company entered into a letter of appointment with Ms Napper on 19 July 2021. This letter sets out the terms of Ms Napper appointment as the Company's director, Chair of the Remuneration Committee and Senior Independent Director for a fixed term of three years, subject to annual review, save that either party may terminate the appointment on three months' notice. Under the letter of appointment, Ms Napper is entitled to an annual fee of £32,000 for her role as a director, £4,000 for her role as Chair of the Remuneration Committee and £4,000 for her role as Senior Independent Director, and reimbursement of reasonable expenses but no other remuneration. The letter includes additional provisions which are relevant to Ms Napper's appointment, including restrictions in relation to the disclosure of the Group's confidential information. On termination of the appointment, Ms Napper is not entitled to anything more than accrued fees as at the date of termination plus reimbursement of expenses properly incurred to that date.

7.1.7 Sally Tilleray was appointed as a director, Chair of the Audit Committee and Chair of the Sustainability Committee on 1 August 2021. The Company entered into a letter of appointment with Ms Tilleray on 22 July 2021. This letter sets out the terms of Ms Tilleray's appointment as the Company's director, Chair of the Audit Committee and Chair of the Sustainability Committee for a fixed term of three years, subject to annual review, save that either party may terminate the appointment on three months' notice. Under the letter of appointment, Ms Tilleray is entitled to an annual fee of £32,000 for her role as director, £4,000 for her role as Chair of the Audit Committee and £4,000 for her role as Chair of the Sustainability Committee, and reimbursement of reasonable expenses but no other remuneration. The letter includes additional provisions which are relevant to Ms Tilleray's appointment, including restrictions in relation to the disclosure of the Group's confidential information. On termination of the appointment, Ms Tilleray is not entitled to anything more than accrued fees as at the date of termination plus reimbursement of expenses properly incurred to that date.

7.2 The aggregate remuneration paid or payable by any company in the Group (including benefits in kind) to the Directors during the year ended 31 December 2020 was £462,000.

7.3 Save as disclosed in this Part V of this Document, there are no service contracts, existing or proposed, between any Director and the Company and no service contract has been entered into or amended by the Company in the six months prior to the date of this Document.

7.4 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors.

7.5 As at 15 November 2021, being the latest practicable date before the date of this Document, the Group had a total workforce of 81 employees. As at 31 December 2020 (being the end of the last whole financial period prior to publication of this Document), the Group had 67 employees, as follows:

Department	*UK*	*Malta*	*Total*
Administration	3	2	5
Commercial	14	1	15
Operations	8	25	33
Technology	14	–	14
Total	39	28	67

8. Additional Information on the Board

8.1 The Directors hold or have held the following directorships in companies (in addition to the Company) incorporated in the United Kingdom and overseas (as the case may be) within the five years prior to the date of this Document:

Full Name	*Current directorships*	*Past directorships*
Vivek Singh Dodd	Inmarkets Limited Inmarkets Group Limited Inmarkets International Limited Fincarta Limited	None
Anthony Edward Miller	Inmarkets Limited Inmarkets Group Limited Inmarkets International Limited	None
Catriona Marie Razic (formerly Pointer)	Inmarkets Limited Fincarta Limited Inmarkets Group Limited Inmarkets International Limited	None
Christoper Mark Backhouse	Yorze Limited Enterprise FD Limited Wight Enterprise Limited Ventnor Enterprise Limited	Bonduelle Limited Bukh Limited
Richard John Amos	Beesonend Consulting Limited Thruvision plc	Plant Impact Limited (formerly Plant Impact plc) Bio Futures PI Limited PI Bioscience Limited Plant Impact Inc (US) Wilmington plc Adkins & Matchett (UK) Limited Ark Conferences Limited Ark Group Limited Axco Insurance Information Services Limited Bond Solon Training Limited Central Law Training (Scotland) Limited Central Law Training Limited CLT International Limited Evantage Consulting Ltd HCP Consulting Limited ICA Audit Limited ICA Commercial Services Limited Interactive Medica Limited International Compliance Association International Compliance Training Limited JMH Publishing Limited Mercia Group Limited Mercia NI Limited NHiS Limited Pendragon Professional Information Limited Practice Track Limited Quorum Courses Limited Quorum International Limited Quorum Training Limited

Full Name	*Current directorships*	*Past directorships*
Richard John Amos		Smee And Ford Limited Swat Group Limited Swat Holdings Limited Swat UK Limited The Matchett Group Limited The Training Consultants Limited Waterlow Information Services Limited WCLTS Wilmington Finance Limited Wilmington Healthcare Limited Wilmington Holdings No.1 Limited Wilmington Insight Limited Wilmington Legal Limited Wilmington Millennium Limited Wilmington Publishing & Information Limited Wilmington Risk & Compliance Limited Wilmington Shared Services Limited Interactive Medica SL (Spain) Interactive Medica AB (Sweden) APM International SAS (France) APM Media SARL (France) La Touche Bond Solon Training Ltd (Ireland) Mercia Ireland Ltd (Ireland) Ark Group Inc. (USA) Applied Research & Knowledge PTE Ltd (Sing) Adkins, Matchett & Toy Ltd (USA) Adkins, Matchett & Toy (Hong Kong) Ltd (HK) Wilmington Inese SL (Spain) Wilmington Holdings US Inc. (USA) Wilmington Compliance Week Inc. (USA) Wilmington FRA Inc. (USA) ICT North America (USA) International Company Profile FZ LLC (UAE) International Compliance Training Academy Pte Ltd (Sing) International Compliance Training (Malaysia) SDN The Digital Insurer Ratings Pte. Ltd (formerly Axco Digital Insurer Ratings PTE Ltd. (Singapore))

Full Name	*Current directorships*	*Past directorships*
Isabel Josephine Sutherland Napper (formerly Pokorny, Robinson) Commonly known as Isabel Josephine Napper	SDI Group plc Tristel plc Keystone Law Group plc	Health Enterprise East Limited Eastern Academic Health Network Limited Emmaus Cambridge Arthur Rank Hospice Charity Accloud Plc
Sally-ann Patricia Tilleray (formerly Withey)	Sally Tilleray Consulting Limited Mind Gym plc Nahl Group plc Cobra Holdco Ltd	None

8.2 None of the Directors are, nor have been within the five years prior to the publication of this Document, partners in any partnerships (other than the Group).

8.3 Chris Backhouse was appointed as a director of Elephant Loans and Mortgages plc on 1 October 2007. Elephant Loans and Mortgages plc entered into a compulsory liquidation on 9 February 2009 and was dissolved on 16 October 2012, whilst Mr Backhouse remained as a director.

8.4 Save as disclosed in this Document, no Director has:

8.4.1 any unspent convictions in relation to indictable offences;

8.4.2 had a bankruptcy order made against him or entered into an individual voluntary arrangement;

8.4.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

8.4.4 been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;

8.4.5 been subject to the receivership of any asset of such director or of a partnership of which the director was a partner at the time of or within 12 months preceding such event; or

8.4.6 received public criticisms by statutory or regulatory authorities (including designated professional bodies) and no director has been disqualified from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8.5 Save as disclosed in his Document, no Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

9. Employee and Executive Share Incentives

9.1 ***Overview***

Prior to Admission, the Company adopted an EMI Plan (covering both EMI Options and non-qualifying Options) for the purposes of recruiting and retaining members of the employee workforce, senior management and the Board. The EMI Plan will satisfy the statutory conditions of Chapter 9, Part 7 and Schedule 5 ITEPA 2003. Under the terms of the EMI Plan the Board shall, on a discretionary basis, grant EMI Options to eligible participants. EMI Options are UK tax-advantaged options which entitle the EMI Option Holder to acquire Ordinary Shares in the Company for the Exercise Price. EMI Options must be granted for the purpose of recruiting and retaining staff and must not be granted for the purposes of avoiding tax. In order to qualify as EMI Options, restrictions apply to the Company, the EMI Option Holder and the EMI Option. In particular, there are restrictions on the:

9.1.1 period of time within which the options can be exercised;

9.1.2. maximum number of EMI Options which can be granted across the Group as measured by the value of the Ordinary Shares to which the unexercised EMI Options pertain and as valued at the Date(s) of Grant;

9.1.3 maximum number of EMI Options which can be granted for each eligible participant as measured by the value of the Ordinary Shares to which the EMI Option(s) pertain(s) and as valued at the Date(s) of Grant; and

9.1.4 the eligibility of the participant with each participant being required to spend a minimum amount of time working for the Company or Group and have a limit on the number of Ordinary Shares that they may hold or be entitled to hold.

In addition, the Company may, under the EMI Plan, grant non-tax advantaged Options to employees of the Group who do not meet the statutory conditions of Schedule 5 or who are not resident in the UK and therefore will not be eligible to be granted EMI Options.

9.2 ***Eligibility***

The EMI Plan will provide incentives to eligible participants who are selected at the discretion of the Board. In particular and at the Date of Grant, eligible participants will meet the statutory working time requirements under paragraphs 26 and 27 of Schedule 5 which mean that they must spend at least:

9.2.1 25 hours per week; or if lower

9.2.2 75 per cent. of their working time per week on the business of the Company or Group.

In addition, participants will not be eligible to be granted EMI Options where they have a material interest in the Company.

9.3 ***Grant policy***

Conditional upon and subject to Admission, Options will be granted to participants as set out in paragraph 9.13 below. Thereafter, the Board may adopt an annual grant policy.

9.4 ***Dilution limits***

The number of Ordinary Shares in respect of which awards may be made under the EMI Plan on any day shall not, when added to the number of Ordinary Shares over which awards have been granted under any employees' share scheme or other incentive arrangement adopted by the Company, exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue immediately prior to that day.

9.5 ***Quantum and individual limits***

At no point may the Company have more than £3 million of unexercised EMI Options, as valued at the Date(s) of Grant, subsisting. Furthermore, an eligible participant may not at any time, hold unexercised EMI Options exceeding £250,000 as valued at the Date(s) of Grant. Where an eligible participant holds EMI Options which exceed this limit, the option shall be a non-tax advantaged option to the extent that this limit has been exceeded.

9.6 ***Limits on time***

The Options will only vest and become exercisable within 10 years of the Date of Grant subject to the satisfaction of performance conditions specified by the Board.

9.7 ***Performance conditions***

A performance measurement date will apply for length of service with a proportion vesting annually beginning on the first anniversary following the Date of Grant. The proportion of the Option will have vested in full on the fourth anniversary of the Date of Grant. End of Year 1 shall mean the 1st anniversary of the Date of Grant of the Option and End of Year 2, End of Year 3 and End of Year 4 shall be construed accordingly.

9.8 ***Administration and amendments***

Any amendments to the EMI Plan may not apply to Options granted before the amendment was made and materially adversely affect the interests of the Option Holders but may only be made subject to the agreement of the Option Holder.

9.9 ***Termination***

If an Option Holder dies or is otherwise a Good Leaver (broadly, any Option Holder who is not dismissed summarily or for unsatisfactory performance or who does not resign to work for a competitor) , an Option Holder may exercise their Option to the extent that it has vested (or to a greater extent if the Board permits), following cessation of their office or employment, for a period of up to 90 days beginning with the date of cessation after which point the Option will lapse. In the case of the death of the Option Holder, the personal representatives of an Option Holder may exercise their Option to the extent that it has vested, for a period of up to 12 months beginning with the date of death after which point the Option will lapse. Any unvested portion of an Option and vested Options held other than by Good Leavers will lapse immediately where an Option Holder ceases office or employment.

9.10 ***Change of control, reconstruction or winding-up***

In the event of a takeover, change of control or winding up of the Company, Options shall become exercisable or immediately vest at the sole discretion of the Board.

9.11 ***Variation of share capital***

If there is any variation of the share capital of the Company (whether that variation is a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise) that affects (or may affect) the value of Options, the Board shall adjust the number and description of Ordinary Shares subject to each Option or the Exercise Price of each Option in a manner that the Board, in its reasonable opinion, considers to be fair and appropriate. However, (i) the total amount payable on the exercise of any Option in full shall not be increased, and (ii) the Exercise Price for an Ordinary Share to be newly issued on the exercise of any Option shall not be reduced below its nominal value.

9.12 ***Malus and clawback***

An Option may not vest or become exercisable at any time:

9.12.1 while disciplinary proceedings are underway against the Option Holder; or

9.12.2 while there is any investigation into the Option Holder's conduct which may result in disciplinary proceedings; or

9.12.3 while there is a breach of the Option Holder's employment contract that is a potentially fair reason for dismissal; or

9.12.4 while the Option Holder is in breach of a fiduciary duty owed to any member of the Group; or

9.12.5 after ceasing to be an employee, if there was a breach of the Option Holder's employment contract, fiduciary duties or any post-termination restrictive covenant that (in the reasonable opinion of the Board) would have prevented the exercise of the Option had the Company been aware (or fully aware) of that breach.

Following the conclusion of proceedings or investigations in relation to events set out above, the Board shall determine the extent to which any Option shall vest or be exercisable.

9.13 ***Participants***

On 23 November 2021, EMI Options were granted to eligible participants as follows, subject to and conditional upon Admission:

Participant	*Date of Grant*	*Exercise Price*	*Number of Ordinary Shares under EMI Option*	*Latest Exercise Date*
Others*	23 November 2021	37 pence	2,830,000	23 November 2031

In addition, on 23 November 2021, the following Directors and other participants were granted non-tax advantaged options, subject to and conditional upon Admission:

Participant	*Date of Grant*	*Exercise Price*	*Number of Ordinary Shares under Option*	*Latest Exercise Date*
Richard Amos	23 November 2021	37 pence	80,000	23 November 2031
Sally Tilleray	23 November 2021	37 pence	50,000	23 November 2031
Isabel Napper	23 November 2021	37 pence	50,000	23 November 2031
Chris Backhouse	23 November 2021	37 pence	80,000	23 November 2031
Others*	23 November 2021	37 pence	1,600,000	23 November 2031

* not being Directors

10. New Articles

The New Articles, which were adopted on 22 July 2021 to take effect on Admission, contain, amongst other things, provisions to the following effect.

10.1 ***Objects***

Pursuant to section 31 of the Act, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by law.

10.2 ***Voting rights***

Subject to any special terms as to voting upon which any shares may, for the time being, be held, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or who (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every member present in person or by proxy or by a representative shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

10.3 ***Variation of rights***

If at any time the capital of the Company is divided into different classes of shares or any other rights or privileges attached to any class of shares in the Company and subject to the provisions of the Act and of the New Articles, the special rights attached to any class of share in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class (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 the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation. At every such separate general meeting (except an adjourned meeting) the quorum shall be at least two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the relevant class.

10.4 ***Changes in share capital***

The Company may alter its share capital as follows:

(a) subject to the provisions of the Act it may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares which have not been taken or agreed to be taken by any person;

(b) subject to the provisions of the Act and to any rights for the time being attached to any shares, it may by special resolution reduce or cancel its share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any manner; and

(c) subject to the provisions of the Act and to any rights for the time being attached to any shares, it may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

10.5 ***Transfer of shares***

A member may transfer all or any of his shares, save for those shares held in uncertificated form title to which may be transferred by means of a relevant system such as CREST without a written instrument, by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register a transfer of any share held in certificated form unless it is:

(a) in respect of a share which is fully paid up;

(b) in respect of only one class of share;

(c) in favour of a single transferee or not more than four joint transferees;

(d) duly stamped (if required); and

(e) lodged at the registered office together with the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, provided that the Board does not exercise such discretion to prevent dealings in the shares from taking place on an open and proper basis.

If the Board refuses to register a transfer it must, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee along with its reasons for refusal.

10.6 ***Uncertificated shares***

The Company may issue shares and other securities which do not have certificates and permit existing shares and other securities to be held without certificates.

A member may transfer all or any of his uncertificated shares by means of a relevant system, as defined in the CREST Regulations, which includes CREST. The Directors may refuse to register any transfer of an uncertificated share where permitted by the Uncertificated Securities Regulations. If the Directors refuse to register a transfer of an uncertificated share they shall, within two months of the date on which the transfer instruction relating to such a transfer was received by the Company, send to the transferee notice of the refusal.

10.7 ***Dividends***

Subject to the provisions of the Act and of the New Articles and to any special rights attaching to any shares, the Company may by ordinary resolution in a general meeting declare dividends, provided that no dividend shall be paid otherwise than out of profits and no dividend shall exceed the amount recommended by the Board. The Board may from time to time pay such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company.

Except as otherwise provided by the New Articles, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Generally, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose. Unless otherwise provided by the rights attached to any share, no dividends in respect of a share shall bear interest.

The Board may, with the prior authority of an ordinary resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all or part of any dividend. The Board may, at its discretion, make the right to participate in any such elections subject to restrictions necessary or expedient to deal with legal, regulatory or other difficulties in respect of overseas shareholders.

Any dividend unclaimed for a period of 12 years after the payment date for such dividend shall (if the Board so resolves) be forfeited and cease to remain owing by the Company and shall thereafter revert to the Company absolutely.

10.8 ***Return of Capital***

On a winding-up or other return of capital of the Company, the members will be entitled to share in any surplus assets. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind the whole or any part of the assets to be set at such value and in such manner as shall be deemed fair by the liquidator. A liquidator, with the sanction of a special resolution, may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members.

10.9 ***Pre-emption rights***

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

In the majority of circumstances (unless dis-applied by special resolution), the Shareholders will have statutory pre-emption rights under the Act in respect of the allotment of new equity securities in the Company. These statutory pre-emption rights require the Company to offer new equity securities for allotment to existing shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such equity securities would be offered to the Shareholders.

10.10 ***Shareholder Meetings***

The Company must hold a general meeting as its annual general meeting within six months following the end of each financial year (in addition to any other meetings in that year), unless it is permitted by the Act to extend the period for holding its annual general meeting. The Board must decide the time and place for each annual general meeting. Other general meetings may be called whenever the Directors think fit or when one has been requisitioned in accordance with the Act. Two members present in person or by proxy (or being a corporation, present by a duly appointed representative) at the meeting and entitled to vote shall be a quorum for all purposes.

Annual general meetings are called on at least 21 days' notice in writing, exclusive of the day of which the notice is served or deemed to be served and of the day on which the meeting is to be held. Other general meetings are to be called on 14 days' notice in writing exclusive of the day on which the notice is served or deemed to be served and the day on which the meeting is to be held. Subject to the provisions of the New Articles and to any restrictions imposed on any shares, every notice of meeting shall be given to all the members, all other persons who are at the date of the notice entitled to receive notices from the Company and to the Directors and auditors.

In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him/her, and that a proxy need not be a member.

10.11 ***Untraceable shareholders***

The Company is entitled to sell, at the best price reasonably obtainable, any share, of a member who is untraceable, provided that:

(a) all cheques or warrants for any sums payable in cash to the holder of such shares have remained uncashed and each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends has failed for a period of 12 years;

(b) during the 12 year period, at least three dividends (whether interim or final) in respect of the shares in question have become payable and no dividend during that period has been claimed by the member;

(c) the Company has not during that time or before the expiry of the three-month period referred to in paragraph d below received any communication in respect of such share from such member or person entitled; and

(d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in newspapers in the manner stipulated by the Articles, giving notice of its intention to sell these shares, and a period of three months has elapsed since such advertisement and the London Stock Exchange has been notified of such intention.

The net proceeds of any such sale shall belong to the Company and when the Company receives these net proceeds the Company shall become indebted to the former member for an amount equal to such net proceeds and the Company shall enter the name of such former or other person in the books of the Company as a creditor for such amount.

10.12 ***Directors***

Directors may be appointed by the Company by an ordinary resolution of the Board, either to fill a vacancy or as an addition to the existing Board. If appointed by the Board, that Director holds office until the next annual general meeting, at which he shall be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at the meeting.

At every annual general meeting one third of the Directors shall retire from office, or if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation.

At the meeting at which a Director retires under any provision of the New Articles, the retiring Director shall be deemed to have been re-appointed except where:

(a) that Director has given notice to the Company that he is unwilling to be elected; or

(b) at such meeting it is expressly resolved not to fill such vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and not passed.

No Director shall vacate his office or be ineligible for appointment or re-appointment as a Director by reason only of his having attained any particular age, nor will special notice be required of any resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such resolution relates.

As is usual for quoted companies, the New Articles contain a cap on the aggregate fees which the Directors shall be entitled to receive for their services in the office of director (other than remuneration for executive directors). The New Articles state that these fees shall not exceed £400,000 per annum (exclusive of VAT if applicable), or such other sum as may from time to time be determined by an ordinary resolution of the Company. The actual fees paid (unless otherwise directed by any resolution of the Company by which a limit is approved) shall be determined by the Directors and shall be paid in such proportions and in such manner as the Board may determine.

All the Directors (including alternate directors) are entitled to be repaid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of the Directors, committee meetings or general meetings.

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

A Director may act by himself or his firm in a professional capacity (other than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

The remuneration and other terms and conditions of appointment of a Director appointed as managing director or to chief executive office of the Company shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Board on such terms as the Board thinks fit.

Any statutory provision which, subject to the provisions of the New Articles, would have the effect of rendering any person ineligible for appointment as a director or liable to vacate office as a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any director over a specified age shall not apply to the Company.

10.13 ***Directors' interests in contracts***

Save as provided in the New Articles or by the terms of any authorisation given by the Directors, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board in respect of any contract, arrangement, transaction or any proposal whatsoever in which he has any material interest or duty which (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company) conflicts or may conflict with the interests of the Company and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.

If a question arises as to the right of a Director to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question may, before the conclusion of the meeting, be referred to the chairman (or alternate chairman should the question concern an interest of the chairman) of the meeting and his ruling shall be final and conclusive, except in a case where the nature or extent of the interest has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the Board.

A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution at such meeting if his duty or interest arises only because the resolution relates to one of the following matters:

(i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him 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 to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(iii) where the Company or any of its subsidiary undertakings is offering shares or debentures or other securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

(iv) relating to another company in which he or any persons connected with him has a direct or indirect interest (whether as an officer or shareholder or otherwise) provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent, or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the relevant article to be a material interest in all circumstances);

(v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

(vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

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

10.14 ***Indemnity***

Subject to the provisions of any relevant legislation, the Company may indemnify any Director, alternate director and other officer of the Company (other than an auditor) against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation to those duties.

10.15 ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present or future) and uncalled capital, and 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.

10.16 ***Disclosure of interests in shares***

Section 793 of the Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests.

Where notice is served by the Company under section 793 of the Act ("section 793 notice") on a member, or on another person appearing to be interested in shares held by that member, and that member or other person has failed to give the Company the information required within the period set out in the section 793 notice, certain sanctions may apply (as determined by the Board) including:

(a) the member shall not be entitled to be present or vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll in respect of the default shares; and

(b) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:

    (i) the member shall not be entitled to receive any dividend or other distribution, or shares in place of a dividend; and

    (ii) no transfer of the shares shall be registered except in certain specified circumstances.

Subject to certain restrictions, the above sanctions shall cease to apply with effect from the date that the Company receives notice of an excepted transfer (but only in respect of the shares transferred) or seven days after receipt by the Company of all the information required in the section 793 notice.

The New Articles do not restrict in any way the provisions of section 794 of the Act.

11. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and/or any of its subsidiaries in the two years immediately preceding the date of this Document and are, or may be, material:

11.1 ***Nominated adviser and broker agreement***

The Company and Allenby Capital entered into a nominated adviser and broker agreement dated 24 November 2021 pursuant to which the Company has appointed Allenby Capital to act as nominated adviser to the Company for the purposes of the AIM Rules for Companies.

The Company has agreed to pay Allenby Capital an annual retainer of £60,000 plus VAT. Such fee shall be payable quarterly in advance.

The agreement contains certain undertakings and indemnities given by the Company in favour of Allenby Capital. There is a minimum initial period of engagement of 12 months and thereafter either party may terminate the services of Allenby Capital by giving three months' written notice. Either party may terminate the agreement with immediate effect if the other party is in material breach of its obligations under the agreement.

11.2 ***Relationship Agreement***

The Company entered into a relationship agreement dated 24 November 2021 with Vivek Dodd and Allenby Capital, the principal terms of which shall cease to have effect if Admission does not occur by 1 January 2022. Pursuant to the agreement Vivek Dodd provides certain undertakings to the Company and Allenby to ensure *inter alia* that (i) the Group is capable of carrying on its business independently; (ii) any arrangements or agreements between Vivek Dodd and the Group are on arms-length terms; and (iii) a majority of independent Directors approve all board decisions requiring approval of transactions or arrangements with Vivek Dodd. In addition, Vivek Dodd covenants: (i) to comply with the AIM Rules in relation to the Company; (ii) to comply with the Company's articles of association; (iii) not to carry out any insider dealing activities in respect of his holding of Ordinary Shares; (iv) not to use the Company's confidential information for his own benefit; and (v) not to use his shareholding to cancel the admission of the Ordinary Shares from trading on AIM.

The Relationship Agreement will terminate if Vivek Dodd's interest in the Company drops below 20 per cent. of the issued share capital of the Company

11.3 ***Lock-in and Orderly Market Agreements***

On 24 November 2021, the Locked-In Parties entered into Lock-in Agreements with the Company and Allenby Capital pursuant to which they have agreed to be subject to a 12 month lock-in period, during which time, subject to certain customary exceptions, they may not offer, sell or contract to sell, or otherwise dispose of any Ordinary Shares or enter into any transaction with the same economic effect as the foregoing (each a "Disposal"). In addition, they have also agreed that any Disposal in the subsequent 12 month period will be undertaken, save in certain circumstances, only following Allenby Capital's agreement.

On 24 November 2021, Gurmakh Minhas, Morten Damsleth, Simon Truckle, Clare King and Laurence Tanti, who will hold in aggregate 10.54 per cent. of the Enlarged Share Capital on Admission entered into an orderly market agreement with the Company and Allenby Capital pursuant to which they have agreed that any Disposal in the 24 month period following Admission will be undertaken, save in certain circumstances, only following Allenby Capital's agreement.

11.4 ***Placing Agreement***

The Company entered into a placing agreement dated 24 November 2021 with Allenby Capital, pursuant to which Allenby Capital was appointed as the agent of the Company for the purpose of managing the Placing and agreed to use reasonable endeavours to procure subscribers and purchasers for the Placing Shares at the Placing Price.

The Placing Agreement is conditional, amongst other things, on Admission taking place no later than 1 December 2021, or such later date as the Company and Allenby Capital may agree, being no later than 1 January 2022, and the Company complying with certain obligations under the Placing Agreement.

Under the Placing Agreement and subject to it becoming unconditional, the Company has agreed to pay Allenby Capital a commission of: (i) 5 per cent. on the aggregate value of the New Ordinary Shares subscribed for at the Placing Price and introduced by Allenby Capital and 1 per cent. on the aggregate value of the New Ordinary Shares subscribed for at the Placing Price and introduced by the Company; and (ii) 5 per cent. on the aggregate value of the Sale Shares purchased at the Placing Price, in each case together with any applicable VAT.

Pursuant to the Placing Agreement, the Company has given certain warranties to Allenby Capital regarding the accuracy of the information in this Document and other matters relating to the Group and its business. The Company has also provided Allenby Capital with a customary indemnity to cover Allenby Capital for liabilities it may suffer as a result of acting as placing agent pursuant to the Placing Agreement. Allenby Capital is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission.

Under the Placing Agreement, the Company has agreed with Allenby Capital that it will not issue any Ordinary Shares (or interest in them) following Admission for a period of twelve months from the date of Admission, except in certain limited circumstances, including with the consent of Allenby Capital.

Selling Shareholders will each enter into a Deed of Election with the Company and Allenby Capital pursuant to which they will each appoint the Company as his or her agent to sell Sale Shares in the Placing at the Placing Price.

12. Related Party Transactions

12.1 Save as disclosed in this Document, the Company has not entered into any related party transaction in the financial period covered by the report in Part III of this Document or from the end of that period to the date of this Document.

12.2 On 1 July 2015, Inmarkets Malta entered into an agreement with Vivek Dodd pursuant to which Vivek Dodd, as a contractor, would provide services to Inmarkets Malta. The services to be provided were digital marketing services, including online advertising, email bulletins and the creation of e-learning courses. Under this agreement, Inmarkets Malta paid £48,000 to Vivek Dodd for the year ended 31 December 2018, £72,000 for the year ended 31 December 2019, £96,000 for the year ended 31 December 2020, £48,000 for the half year ended 30 June 2021 and £24,000 for the period between 1 July 2021 and 30 September 2021. With effect from 1 October 2021, this agreement was terminated and Vivek Dodd has provided services to the Group under the service agreement summarised in paragraph 7.1.1 of Part V of this Document.

12.3 On 3 August 2018, Inmarkets Group Limited entered into an agreement with Enterprise FD Limited, a company of which Chris Backhouse is a director and controlling shareholder, pursuant to which Chris Backhouse would provide a financial director service to Inmarkets Group Limited and its subsidiaries.

12.4 On 15 April 2021, the Company entered into an agreement with Enterprise FD Limited, superseding the agreement summarised in paragraph 12.3 above, pursuant to which Chris Backhouse would continue to act as the Company's Chief Financial Officer ("**CFO**"). In addition, a dedicated team of identified personnel at Enterprise FD Limited would support Chris Backhouse in his role as CFO and provide the following services: (i) development of monthly management information; (ii) support in connection with the proposed Admission; (iii) supporting the FCO in the strategic financial management of the Company; and (iv) assisting with corporate finance matters. The agreement shall remain in place until terminated. Either party may terminate the agreement at any time without penalty.

12.5 The Company has paid £229,000 to Enterprise FD Limited from the beginning of the financial period covered by the report in Part III of this Document to the date of this Document.

12.6 On 24 November 2021, the Company and Allenby Capital entered into the relationship agreement with Vivek Dodd, further details of which are described in paragraph 11.2 of Part V of this Document.

13. Premises

The Group's key sites are set out below.

Property	*Tenure*	*Term or Lease expiry (if applicable)*
80 Leadenhall Street, London EC3A 3DH	Leasehold	24 May 2026
GPL Business Centre, Office 2, Level 2, Sqaq il-Ghadam, Mriehel	Leasehold	1 January 2025

14. Working Capital

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

15. Litigation

The Group is not involved nor has been involved in any legal or arbitration proceedings in the previous 12 months which have or may have had in the recent past, a significant effect on the Group's financial position or profitability nor, so far as the Directors are aware are any such proceedings pending or threatened against any member of the Group.

16. Taxation

Taxation in the United Kingdom

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

16.1 ***Tax treatment of UK investors***

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

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

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

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

16.2 ***Dividends***

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

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

Dividend income received by UK tax resident individuals will have a £2,000 per annum dividend tax allowance. Dividend receipts in excess of £2,000 per annum will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers. An additional Health & Social Levy of 1.25 per cent. has also been announced that will apply on dividend payments from April 2022.

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

16.3 ***Disposals of Ordinary Shares***

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

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

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to a Shareholder's corporate taxable profits is currently 19 per cent.. In the Budget on 3 March 2021, it was announced that the rate would increase to 25 per cent. after 1 April 2023.

16.4 ***EIS/VCT***

The Company has received professional advice that the New Ordinary Shares are expected to be capable of being a "qualifying holding" for VCTs. However, there is no guarantee that HMRC will agree with this advice and such advice does not guarantee VCT qualification for an investor, whose claim for relief will be conditional upon his or her own circumstances. The status of the New Ordinary Shares as a qualifying holding for VCT purposes will be conditional (amongst other things) on the qualifying conditions being satisfied throughout the period of ownership. There can be no assurance that the Company will conduct its activities in a way that will secure or retain qualifying status for VCT (and indeed circumstances may arise where the directors of the Company believe that the interests of the Group are not served by seeking to retain such status). Further, the conditions for VCT Relief are complex and relevant investors are recommended to seek their own professional advice before investing. Neither the Company nor any of the Company's advisers give any warranties or undertakings that an investment in the Company will be a "qualifying holding" nor that the holding will remain a "qualifying holding" for the VCT.

The Company has not received professional advice nor has it sought advanced assurance from HMRC as to whether the New Ordinary Shares would rank as "eligible shares" for the purposes of EIS and investors seeking to take advantage of the tax benefits of EIS are recommended to seek their own professional advice before investing. Neither the Company nor any of the Company's advisers give any warranty or undertaking that EIS relief will be available to the prospective investors.

Further information for Shareholders subject to UK income tax and capital gains tax

16.5 ***"Transactions in securities"***

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

Stamp Duty and Stamp Duty Reserve Tax

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

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

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

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

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

Any transfer of Ordinary Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or stamp duty reserve tax.

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

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS, WHETHER IN THE ISSUER'S COUNTRY OF INCORPORATION OR THE INVESTOR'S HOME COUNTRY, THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY OR WHICH MAY IMPACT ANY INCOME RECEIVED FROM ITS SECURITIES. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

17. Other Information

17.1. The accounting reference date of the Company is 31 December.

17.2 The fees and expenses of, and incidental to, the Admission are estimated at approximately £0.77 million exclusive of VAT. These include (but are not limited to) accountancy fees, solicitors fees and the fees of the Company's nominated adviser and broker.

17.3 Save as disclosed in this Document, the Company is not dependent on any patents, licences, industrial or commercial or financial contracts or new manufacturing processes which have a material effect on the Company's business or profitability.

17.4 None of the Directors perform any principal activities outside the Company that are significant with respect to the Company.

17.5 Except as stated in this Document, there have been no principal investments made by the Company during the last three financial years and there are no principal future investments on which firm commitments have been made.

17.6 Except as otherwise stated in this Document and save as set out below, no person (excluding professional advisers named in this Document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the Company's application to AIM, or has entered into any contractual arrangements with the Company to receive, directly or indirectly, from the Company on or after Admission fees totalling £10,000 or more, securities which have a value of £10,000 or more or any other benefit with a value of £10,000 or more at the date of Admission.

17.7 Crowe U.K. LLP, as Reporting Accountants has given and not withdrawn its written consent to the inclusion in this Document of its report in Part III and references to its name in the form and context in which they respectively appear.

17.8 Crowe U.K. LLP is registered with the Institute of Chartered Accountants in England and Wales to carry out audit work.

17.9 Allenby Capital Limited, as nominated adviser and broker to the Company, has given and not withdrawn its written consent to the issue of this Document with the inclusion in it of references to its name in the form and context in which it appears.

17.10 Except as disclosed in paragraph 9 of Part I and in Part IV of this Document, there has been no significant change in the financial or trading position of the Company since 30 June 2021.

17.11. Save as disclosed in this Document there are no environmental issues that the Directors have determined may affect the Company's utilisation of tangible fixed assets and the Directors have not identified any events that have occurred since the end of the last financial year and which are considered to be likely to have a material effect on the Company's prospects for the current financial year.

17.12 The financial information relating to the Company contained in this Document does not comprise statutory accounts for the purposes of section 431 of the Act.

17.13 The Placing Price of 37 pence represents a premium of approximately 36,900 per cent. to the £0.001 nominal value of an Ordinary Share and a premium of 671 per cent. to the net asset value per Existing Ordinary Share of 4.8 pence based on the net assets of the Company as at 31 December 2020.

17.14 The Existing Ordinary Shares will represent 89.43 per cent. of the Enlarged Share Capital.

Perivan 262075