

This document and the appendices attached hereto (which together comprise the Listing Document) include particulars given in compliance with the TISEA Listing Rules for the purpose of giving information with regard to Likewise Group PLC (the Company or Likewise).

Application has been made to TISEA for the Enlarged Share Capital to be admitted to the Official List. It is expected that Admission to the Official List will become effective, and that dealings shall commence, on or about 18 April 2019.

All references to the Enlarged Share Capital (and related statistics) assume the maximum number of New Shares are issued and is therefore subject to confirmation of the final number of New Shares issued.



*(a company incorporated on 28 March 2012 in England and Wales under the Companies Act 2006
with company number 08010067)*

Proposed Placing of and Introduction of 30,000,000 Shares at £0.25 per Share

Proposed acquisition of Heatseam Limited

**Proposed Admission of the Enlarged Share Capital to trading on the Official List of
The International Stock Exchange Authority Limited**

Notice of General Meeting

SPONSORS TO TISE LISTING

RAVENSCROFT LIMITED

FINANCIAL ADVISOR

ZEUS CAPITAL LIMITED

Share capital of the Company immediately following Admission

Issued and fully paid

<i>Number</i>	<i>Nominal Value</i>
152,000,000	£1,520,000

Your attention is drawn to section headed Risk Factors of this Document, beginning on page 24, which contains details of certain factors which should be taken into account when considering whether to purchase Shares.

The Placing, the Introduction and the Acquisition are conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 18 April 2019 (or such later date as the Company, Zeus Capital and Ravenscroft may agree, being not later than 8.00 a.m. on 30 April 2019). The New Shares, the Consideration Shares and the Existing Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Shares after Admission. It is emphasised that no application is being made for the Enlarged Share Capital to be admitted to any other recognised investment exchange.

The notice convening the general meeting of the Company to be held at 10.00 a.m. on 16 April 2019 at Hogarths Stone Manor Hotel, Stone, Kidderminster, Worcestershire, DY10 4PJ (the **General Meeting**) is set out in Appendix 1 of this Listing Document. Likewise shareholders will find enclosed with this Listing Document a form of proxy to enable them to vote at the General Meeting (**Form of Proxy**). Whether or not Likewise shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to arrive no later than 10.00 a.m. on 12 April 2019 (being not less than 48 hours (excluding non-working days) before the time appointed for the General Meeting).

Zeus Capital, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial advisor and broker to the Company in connection with the proposed Placing, Introduction and Admission. Zeus Capital will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Zeus Capital or for providing advice in relation to the contents of this Listing Document or any other matter.

Ravenscroft, which is authorised and regulated in the Channel Islands by both the Guernsey Financial Services Commission and the Jersey Financial Services Commission, is acting as sponsor and broker to the Company in connection with the proposed Placing, Introduction and Admission. Ravenscroft will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Ravenscroft or for providing advice in relation to the contents of this Listing Document or any other matter.

Without limiting the statutory rights of any person to whom this Listing Document is issued, no representation or warranty, express or implied, is made by Zeus Capital or Ravenscroft as to the contents of this Listing Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Zeus Capital by FSMA or the regulatory regime established thereunder, no liability whatsoever is accepted by Zeus Capital or Ravenscroft for the accuracy of any information or opinions contained in this Listing Document, for which the Directors and the Company are solely responsible, or for the omission of any information from this Listing Document for which it is not responsible.

Subject as set out below, the Company and the Directors, accept responsibility for the information contained in this Listing Document and to the best of the knowledge and belief of the Company (which has taken all reasonable care to ensure that such is the case) the information contained in the Listing Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the admission of the Enlarged Share Capital to the Official List nor the approval of the Listing Document pursuant to the listing requirements of TISEA shall constitute a warranty or representation by TISEA as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in the Listing Document or the suitability of the Company for investment or any other purpose.

In the UK this Listing Document is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **FPO**), (ii) high net-worth companies, unincorporated associations and other persons and bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. It has not been approved by the Financial Conduct Authority as a prospectus under the Prospectus Rules made under Part VI of the Financial Services and Markets Act 2000 and it may not be distributed in the UK, save to the limited number of people to whom it will be sent directly by the Company.

The Shares have not been registered with or approved or disapproved by the U.S. Securities and Exchange Commission (**SEC**) or by the securities regulatory authority of any state or other jurisdiction, and neither the SEC nor any such authority has passed opinion upon the accuracy or determine the adequacy of this Listing Document nor is it intended that the SEC or any such authority will do so. Any representation to the contrary is a criminal offence.

This Document does not constitute an offer to sell, or the solicitation of an offer to acquire, Shares in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in any jurisdiction in which such distribution is unlawful. The Shares have not been, and will not be, registered under the US Securities Act or under the applicable securities laws of any state of the United States, any province or territory of Canada, Japan, the Republic of South Africa, New Zealand or Australia (the **Excluded Territories**) and may not be sold, directly or indirectly, within the United States or the Excluded Territories or to any citizen, national or resident of the United States or the Excluded Territories.

If you are in any doubt about the contents of this Listing Document, you should consult a stockbroker, bank manager, solicitor, accountant or other independent professional adviser who specialises in advising on the acquisition of such shares.

Where this document is being reviewed in the context of a purchase of Shares in the secondary market prospective investors are advised to examine all the risks that might be relevant in connection with an investment in Shares. Prospective investors should read the entirety of this Document and, in particular, the section entitled Risk Factors in Part III of this Document for a discussion of certain risks and other factors that should be considered in connection with any investment in the Shares.

Unless required to do so by law or regulation or by TISEA, the Company will not publish any supplementary prospectus or any other update to this Document. Whilst the contents of this Document are accurate at the date of this Document they may no longer be accurate at any subsequent date and there may be changes in the business affairs of the Company or the Group subsequent to the date of this Document.

Recipients of this Document may not reproduce or distribute the document in whole or in part. Prior to making any decision as to whether to invest in the Shares as part of a secondary market transaction, prospective investors may consider whether they should take their own appropriate professional advice. In making any investment decision, each investor must rely on their own examination and analysis of the Company and the Shares, including the merits and risks involved. Your attention is drawn to Part III of this Document entitled Risk Factors.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied on as having been so authorised.

Neither the Company nor any of its representatives are making any representation to any prospective investor in the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Document should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

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PRESENTATION OF INFORMATION

1. General

Investors should rely only on the information in this Listing Document. No person has been authorised to give any information or to make any representations other than those contained in this Listing Document and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or Ravenscroft. No representation or warranty, express or implied, is made by Ravenscroft as to the accuracy or completeness of such information, and nothing contained in this Listing Document is, or shall be relied upon as, a promise or representation by Ravenscroft or any selling agent as to the past, present or future. Neither the delivery of this Listing Document nor any sale made under this Listing Document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person, the Company or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The contents of this Listing Document are not to be construed as legal, business or tax advice. Each prospective investor should consult its own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of 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 Shares for an indefinite period of time.

This Listing Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Ravenscroft or any of their representatives that any recipient of this Listing Document should purchase any of the Shares.

Prior to making any decision as to whether to purchase any Shares, prospective investors should read the entirety of this Listing Document and, in particular, Part III of this Document headed Risk Factors.

Investors should ensure that they read the whole of this Listing 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 Listing Document, including the risks involved. Any decision to purchase Shares should be based solely on the Listing Document.

Investors who purchase Shares will be deemed to have acknowledged that: (i) they have not relied on Ravenscroft or any person affiliated with Ravenscroft in connection with any investigation of the accuracy of any information contained in this Listing Document for their investment decision; and (ii) in the case of investors participating in the Placing they have relied only on the information contained in this Listing Document, and no person has been authorised to give any information or to make any representation concerning the Company or the Shares (other than as contained in this Listing 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 Ravenscroft.

None of the Company, the Directors, Ravenscroft or any of their representatives is making any representation to any purchaser of Shares regarding the legality of an investment by such purchaser.

In connection with the Admission, Introduction and Placing, Ravenscroft and any of its affiliates, acting as investors for their own accounts, may acquire Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Admission, Introduction and the Placing or otherwise. Accordingly, references in this Listing Document to the Shares being offered, subscribed, acquired, placed or otherwise

dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Ravenscroft and any of its affiliates acting as investors for their own accounts. Ravenscroft does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Ravenscroft and any of its respective affiliates may have engaged in transactions with and provided various stockbroking and other services to the Company and/or its investors, for which they would have received customary fees. Ravenscroft and any of its respective affiliates may provide such services to potential investors, the Company and any of their respective affiliates in the future.

2. Presentation of financial information

The historical financial information of Lewis Abbott and Heatseam included in Part IV of this Listing Document has been prepared in accordance with the requirements of the TISEA Listing Rules and in accordance with FRS 102.

3. Rounding

Certain figures and percentages in this Listing Document have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

4. Currencies

Unless otherwise indicated in this Listing Document, all references to:

- “pounds sterling”, “£” or “pence” are to the lawful currency of the UK; and
- “euros” or “€” are the lawful currency of the European Union.

Unless otherwise indicated, the financial information contained in this Listing Document has been expressed in pounds sterling. For all members of the Group incorporated in the United Kingdom, the functional currency is pounds sterling and the Group presents its financial statements in pounds sterling.

5. Forward-looking statements

Some of the statements in this Document include forward looking statements which reflect the Directors’ current views with respect to financial performance, business strategy and plans and objectives for future operations (including development plans relating to the Group’s products and services) of the Group.

There are or will be important factors that could cause the Group’s actual results to differ materially from those indicated in forward looking statements. These factors include but are not limited to those described in Part III of this Document entitled Risk Factors, which should be read in conjunction with the rest of the Document. Any forward looking statements are subject to these and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations and growth strategy. Past performance of the Group is no indication of the Group’s future performance.

These forward looking statements speak only as at the date of this Document. Subject to any obligations under the TISEA Listing Rules, the Company undertakes no obligation to publicly update or review any forward looking statement, whether as a result of new information, future developments or otherwise.

6. No incorporation of website information

The contents of the Company’s website do not form part of this Listing Document and prospective investors should not rely on them.

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Paramjit Paul Singh Bassi (<i>Independent Non-Executive Chairman</i>) Anthony John Brewer (<i>Chief Executive Officer</i>) Roy Povey (<i>Chief Financial Officer</i>) Andrew James William Simpson (<i>Non-Executive Director</i>)
Secretary	Roy Povey
Registered Office	Likewise Group PLC Church Field Road Sudbury Suffolk England CO10 2YA
Counsel to the Company	Gateley PLC One Eleven Edmund Street Birmingham B3 2HJ
Counsel to the Company as to Guernsey law	Carey Olsen (Guernsey) LLP PO Box 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Auditor and Reporting Accountant	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH, UK
Registrars	Link Market Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Bankers	Barclays PLC 6th Floor 1 Snowhill Birmingham B4 6GN
Listing Sponsor, Market Maker and Joint Broker	Ravenscroft Limited PO Box 222 20, New Street St Peter Port Guernsey GY1 4JG
Financial advisor and Joint Broker	Zeus Capital Limited 82 King Street Manchester M2 4WQ

PLACING STATISTICS⁽¹⁾

Number of Existing Shares in issue immediately prior to Admission	120,000,000
Number of Consideration Shares to be issued pursuant to the Acquisition⁽²⁾	2,000,000
Number of New Shares being issued pursuant to the Placing and Introduction	30,000,000
Number of Shares in issue immediately following Admission	152,000,000
Percentage of Enlarged Share Capital being issued pursuant to the Acquisition	1.3%
Percentage of Enlarged Share Capital being placed and subscribed for pursuant to the Placing and Introduction	19.7%
Market capitalisation of the Shares on Admission⁽³⁾	£38.0m
Placing Price	£0.25
Estimated gross proceeds from the Placing of and Introduction of the New Shares	£7.5m
Estimated net proceeds from the Placing of and Introduction of the New Shares receivable by the Company	c.£7.0m
Estimated expenses	c.£0.5m
ISIN of the Shares	GB00BHNWH003
LEI of the Company	2138007L822RL2CXMV34
TIDM	LIKE

Notes:

- (1) The placing statistics assume that no other Shares are issued, save for the New Shares and the Consideration Shares at Admission.
(2) The Consideration Shares are the initial Consideration Shares issued on Completion and do not include any Additional Consideration Shares to be issued on the second anniversary of Completion.
(3) The market capitalisation calculated on the basis of the Placing Price.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Trading of Existing Shares suspended	21 March 2019
Publication of this Listing Document, and posting of Form of Proxy	25 March 2019
Placing period commences	25 March 2019
Placing period ends	12 April 2019
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 12 April 2019
General Meeting	16 April 2019
Expected Completion	18 April 2019
Admission and dealings in the New Shares and Existing Shares and Consideration Shares to commence	18 April 2019
CREST accounts credited (where applicable)	18 April 2019
Dispatch of definitive share certificates (where applicable) by	Within 10 business days of Admission

Each of the times and dates in the above timetable is subject to change. All references to time in this Document are to Guernsey time unless the context provides otherwise.

PART I

LETTER FROM CHAIRMAN

Likewise Group PLC

(a company incorporated on 28 March 2012 in England and Wales under the Companies Act 2006 with company number 08010067)

Directors:

Paramjit Paul Singh Bassi (*Independent Non-Executive Chairman*)

Anthony John Brewer (*Chief Executive Officer*)

Roy Povey (*Chief Financial Officer*)

Andrew James William Simpson (*Non-Executive Director*)

To the holders of Existing Shares and, for information purposes, to the holders of options over Shares under the Share Option Plans and potential new holders of Shares:

Dear Shareholders,

Proposed Placing of and Introduction of 30,000,000 Shares at £0.25 per Share

Proposed acquisition of Heatseam Limited

Proposed Admission of the Enlarged Share Capital to trading on the Official List of The International Stock Exchange Authority Limited

Notice of General Meeting

1. Introduction

Likewise announced on 21 March 2019 that it had entered into a conditional agreement to acquire the entire share capital of Heatseam Limited (**Heatseam**) and its subsidiary for a maximum consideration of £10.0m, with net assets acquired of c.£3.8m. The consideration comprises £8.0m in cash, £7.5m of which is payable on Completion and £0.5m of which is deferred for 12 months, and the issue of 2.0m Consideration Shares at the Placing Price. If the Consideration Shares are valued at less than £2.0m on the second anniversary of Completion, then the shortfall will be settled in cash or by the allotment of Additional Consideration Shares at the election of Glen Andrew Toomes (the **Seller**).

The Consideration Shares will be issued to the Seller, the principal shareholder of Heatseam. Following the Acquisition, the Seller will have an interest in 2.0m Shares representing 1.3 per cent. of the Enlarged Share Capital. The cash consideration will also be payable to the Seller.

It is not expected that any of the Heatseam management team will join the board of Likewise.

In order to fund the cash payments required to effect the Acquisition, the Company is proposing to raise £7.5m by way of the Placing and Introduction. On completion of the Acquisition, the Enlarged Group will have a total drawn debt of c.£2.2m under its facilities.

Heatseam is a supplier of primarily residential flooring, including carpet, vinyl, vinyl tiles, laminate, artificial grass and accessories to independent retailers in England and Scotland.

The Acquisition, the Introduction and the Placing are conditional, *inter alia*, on their approval by the Shareholders at the General Meeting and Admission taking place by no later than 18 April 2019.

Likewise is seeking approval at the General Meeting to make the Acquisition, to grant the Directors authority to allot Shares up to an aggregate nominal amount of £1,230,000 including the issue of the Consideration Shares and the New Shares (which are to be issued at a price of £0.25 per Share, which is equal to the closing price of £0.25 on 20 March 2019, the last business day before trading in the shares were suspended following an announcement regarding the proposed Acquisition) and to disapply pre-emption rights up to an aggregate nominal amount of £81,000 in respect of the Consideration Shares and the New Shares.

The Company is also seeking the approval of the Shareholders for the amendment of the Share Option Plans as summarised in paragraph 9 of Part V of this Document and set out in resolutions 5, 6, 7 and 8 of the notice of General Meeting at Appendix 1 of this Document.

Subject to and conditional on the passing of the resolutions to amend the SAYE Scheme Rules, the Company is also seeking the approval of the shareholders to invite Eligible Employees (as defined in the SAYE Scheme Rules (as amended) to participate in the SAYE Scheme (as set out in resolution 6 of the notice of General Meeting).

Subject to and conditional on the passing of the resolutions to amend the EMI Scheme Rules, the Company is also seeking the approval of the Shareholders (as set out in resolutions 8 and 9 of the notice of General Meeting) to grant two further Management Options over a total of 150,000 Shares and further Management Options in accordance with the EMI Scheme Rules (as amended) to such other employees as the Directors may select.

The Company is seeking authority to allot new shares in the Company up to an aggregate nominal value of £1,230,000 (equivalent to 123,000,000 Shares, which is approximately equal to 80.1 per cent. of the Enlarged Share Capital).

The Company has received irrevocable undertakings from Shareholders to vote in favour of the resolutions to be proposed at the General Meeting in respect of a total of 88,975,000 Shares, representing 74.1 per cent. of the Existing Shares.

The Acquisition, if completed, is of sufficient size to constitute a reverse takeover under the TISEA Rules. Accordingly, it is subject to the publication of this Listing Document and conditional upon the passing of the resolutions to be proposed at the General Meeting by Shareholders to approve the Acquisition. The Acquisition is expected to complete on Admission which is expected to occur at 8.00 a.m. on 18 April 2019.

The purpose of this Listing Document is, *inter alia*, to give you further information regarding the matters described above and to seek your approval of the resolutions to be proposed at the General Meeting. The notice of General Meeting is set out in Appendix 1 of this Document.

2. Information on Heatseam

Heatseam is a wholesale supplier of flooring to the English and Scottish markets. It offers carpet, vinyl, vinyl tile, laminate, artificial grass and accessories to independent retailers, primarily focusing on independent retailers in the residential sector.

It operates one leased central distribution hub in Dewsbury, UK, along with two leased out bases in Glasgow, UK and Daventry, UK respectively.

3. Information on Likewise

Likewise is a UK distributor of both domestic and commercial floorcoverings and matting. The Directors believe they have an opportunity to build a business of national scale and over time become a strong alternative to the current larger industry competitors within the sector.

To deliver on this strategy Likewise intends to utilise the expertise and industry knowledge of the Board, executive board and advisory board to deliver organic growth, operational leverage and where desirable execute strategic acquisitions.

Likewise listed on TISE on 11 January 2019 raising net proceeds of £6.5m (the **First Admission**). On First Admission 50,000,000 Shares were listed by way of an introduction and 70,000,000 Shares were listed by way of an Offer for Subscription.

The Directors admitted Likewise to TISE for the following reasons:

- to provide working capital for growth and potential acquisitions;
- to raise the Group's public profile and status;

- to provide the Group with access to capital markets;
- to enhance the Group's ability to attract and retain staff;
- to gain a potentially attractive acquisition currency, for use were any suitable acquisition opportunity to arise; and
- to provide existing shareholders with a market for their Shares.

Since listing on TISE in January 2019, Likewise has established Likewise South East trading brand in Sudbury to initially distribute commercial products which can be extended to residential. The Likewise Trading brand also started supplying principally rugs and mats to retailers throughout the UK.

4. Likewise's corporate activity

Prior to the First Admission, Likewise acquired William Armes Limited and the trade and assets of Bruce Starke & Co Limited, both of which have been fully integrated into the Group.

As announced on 1 February 2019, Likewise acquired the entire issued share capital of Lewis Abbott Limited on 31 January 2019.

William Armes – acquired in January 2018

A UK distributor and manufacturer of domestic doormats, rugs, runners, under the "Dandy" brand name, and flooring for marquees mainly from its head office and purpose-built 70,000 sq. ft distribution centre, which is owned by the Group, in Sudbury, Suffolk.

Bruce Starke – trade and assets acquired in September 2018

A distributor of matting and flooring products, founded in 1899. The business operates from a leased site in Eye, Suffolk; comprising a 37,000 sq. ft purpose-built distribution centre and office space. Bruce Starke has particular expertise in coir matting; a coarse kind of matting, traditionally derived from coconut fibres. The Group has an option to purchase the property until 30 September 2019.

Lewis Abbott – acquired January 2019

A floorcoverings distributor based in Peckham, South London. The business operates from a leased 8,000 sq.ft purpose-built distribution centre. Consideration was £1.0m in cash on completion with a further £0.2m payable on the first anniversary of completion. Lewis Abbott's sales revenue for the 12 months to 31st December 2018 was £2.4m with net assets acquired being £0.8m. This is the first move by Likewise into mainstream flooring distribution.

5. Enlarged Group's management structure

Three separate boards have been established to deliver the Group's long-term strategy. Only the members of the PLC board are statutory directors of Likewise.

The PLC board is responsible for execution of the strategy and ensuring the Group meets the requirements expected of a listed business. This board comprises the following individuals each of whom has previous listed company experience and has a wealth of experience in the UK floorcoverings industry:

- | | |
|--------------------------------|------------------------------------|
| – Paramjit Paul Singh Bassi | Independent Non-Executive Chairman |
| – Anthony John Brewer | Chief Executive Officer |
| – Roy Povey | Chief Financial Officer |
| – Andrew James William Simpson | Non-Executive Director |

Paul Bassi is considered to be an independent Director. Following Admission, it is the intention of the Board that a second independent Non-Executive Director will be added to the PLC board.

The executive board reports to the PLC board and is responsible for operational delivery is in control of the day to day trading, sourcing and integration of new acquisitions and management of head office operations. This board includes three individuals in total, all of whom have a wealth of experience in the UK floorcoverings market. The composition of the executive board is:

- Adrian Laffey
- James Kellet
- Martin West LISM

The advisory board reports to the PLC board and provides guidance and industry insights to assist in the delivery of the Group's strategy. The advisory board is composed of individuals with extensive experience of both the UK and global floorcoverings markets. The advisory board comprises:

- Andrew Woodhouse
- Geoff Duggan FCIS FCMA
- Keith Yates
- Paul Wiseman
- Stuart Large

Details of management and their track records are set out in detail in Part II of this Document.

6. Enlarged Group's strategy

The Directors believe value can be generated for Shareholders, suppliers and consumers by creating a national supplier and distributor of UK floorcoverings as a competing alternative to current large companies in the industry.

Post Acquisition, the Enlarged Group will operate a main distribution hub in Dewsbury, as well as out bases in Glasgow, Daventry, Sudbury, Eye and Peckham, providing a national infrastructure and foundation for growth in the UK residential and commercial flooring market, which is expected to be further facilitated by investment in sales and marketing.

It is the intention of the Board that where future acquisitions are considered, they will focus around increasing scale and advancing the commercial and operational reach of the Group into new regions.

Likewise will not materially change its business strategy within three years of listing on TISE without the approval of a majority of Shareholders.

7. Market and competition

Currently, the UK floorcoverings market, covering residential and commercial, is worth £2 billion.

Currently c.30 per cent. of the market is accounted for by a large industry competitor, with national multiple retailers, regionally focused independent retailers and flooring contractors making up the remaining c.70 per cent.

The Directors believe that, through a number of industry and macro factors, the market will polarise towards larger competitors, and that the Group can be well positioned to benefit from this trend.

The floor covering market is made up of manufacturers, distributors, retailers and installers. It is the strategy of the Group to consolidate the distribution section of the market to gain national scale and provide a channel for UK and overseas manufacturers amongst other benefits.

The residential sector of the market is expected to increase as new homes are added to meet a structural demand for housing; c.160,000 new residential dwellings were added in 2018 alone. Additionally, home improvements, changing consumer demands and trends along with repair works creates further demand. Demand in the commercial sector should also remain robust over the medium term as new office space continues to be constructed.

8. Integration plan

It is expected that the Dewsbury distribution hub and two out bases will remain in operation. The Dewsbury hub is expected to service the Group as at the date of this Document with over night supply of inventory to facilitate next day onward delivery to customers.

The product portfolio of the Group as at the date of this Document and Heatseam will be combined, which is expected to enhance all businesses within the Enlarged Group, with Heatseam benefitting from Likewise's supplier relationships.

9. Financial information

Part IV of the IPO Listing Document contains audited historical financial information of Likewise, William Armes Group and Bruce Starke for the three years ended 31 December 2017.

Part IV of this Listing Document contains financial information in respect of the unaudited year ended 31 March 2016, audited year ended 31 March 2017, audited year ended 31 March 2018 and the unaudited six month period ended 30 September 2018 for Heatseam.

Part IV of this Listing Document contains unaudited historical financial information of Lewis Abbott for the year ended 31 December 2017.

The following financial information presents summary profit & loss financial data for each of Likewise Group plc, the William Armes Group, Bruce Starke and Heatseam. It should be read in conjunction with the full text of this Document. Investors should not rely solely on the summarised information.

Likewise Group plc (prepared in accordance with IFRS)

	<i>Unaudited Year Ended 31 December 2015 £'000</i>	<i>Unaudited Year Ended 31 December 2016 £'000</i>	<i>Unaudited 6 month Period Ended 30 June 2017 £'000</i>	<i>Unaudited 12 month Period Ended 30 June 2018 £'000</i>
Revenue	N/A	N/A	N/A	52
Gross Profit	N/A	N/A	N/A	52
EBITDA	N/A	N/A	N/A	(81)
Operating Profit	N/A	N/A	N/A	(81)
Taxation	N/A	N/A	N/A	–
Profit after tax	N/A	N/A	N/A	(120)

William Armes Group (prepared in accordance with IFRS)

	<i>Audited Year Ended 31 December 2015 £'000</i>	<i>Audited Year Ended 31 December 2016 £'000</i>	<i>Audited Year Ended 31 December 2017 £'000</i>	<i>Unaudited 6 month Period Ended 30 June 2018 £'000</i>
Revenue	4,097	3,717	3,503	1,766
Gross Profit	1,901	1,887	1,794	679
EBITDA	457	145	374	(55)
Operating Profit	408	96	357	(92)
Taxation	(7)	21	(100)	–
Profit after tax	375	67	220	(126)

Bruce Starke (prepared in accordance with IFRS)

	<i>Audited Year Ended 31 December 2015 £'000</i>	<i>Audited Year Ended 31 December 2016 £'000</i>	<i>Audited Year Ended 31 December 2017 £'000</i>	<i>Unaudited 6 month Period Ended 30 June 2018 £'000</i>
Revenue	2,752	2,900	3,041	1,563
Gross Profit	839	861	830	442
EBITDA	175	209	112	100
Operating Profit	137	171	74	82
Taxation	(32)	(42)	(3)	–
Profit after tax	105	129	71	83

With regards to the carrying amounts of stock in William Armes Group and Bruce Starke as at 31 December 2017, 2016 and 2015 respectively, the audit evidence available to Crowe was limited as they did not observe the counting of the physical stock as at 31 December 2017, 2016 and 2015, due to those dates being prior to their appointment as auditor of the companies.

Heatseam (prepared in accordance with FRS 102)

	<i>Audited Year Ended 31 March 2017 £'000</i>	<i>Audited Year Ended 31 March 2018 £'000</i>	<i>Unaudited 6 month Period Ended 30 September 2018 £'000</i>
Revenue	17,705	18,998	10,438
Gross Profit	3,884	4,075	2,553
EBITDA	1,365	1,274	929
Operating Profit	1,160	1,070	805
Profit after tax	762	836	N/A

With regards to the carrying amounts of stock in Heatseam as at 31 March 2017 and 2016, the audit evidence available to the auditors was limited as they did not observe the counting of the physical stock as at 31 March 2017 and 2016, due to those dates being prior to their appointment as auditor of the company.

Note that summary profit & loss financial data is not provided for Lewis Abbott as the company did not have to produce a profit & loss account in its last published annual accounts for the year ended 31 December 2017 as permitted by s444(5A) of the Companies Act 2006.

The Group does not have any debt securities outstanding, nor does it intend to issue any on Admission.

The Group has outstanding deferred consideration of £365,127 (subject to adjustment) payable on 31 March 2019 for the acquisition of the Bruce Starke business as well as £200,000 payable on 31 January 2020 for the acquisition of Lewis Abbott.

The Company has a loan facility with Barclays Bank plc which is secured and is also guaranteed by the William Armes Group.

William Armes also has a confidential invoice discount facility with Barclays Bank plc which is also secured.

As at 31 October 2018, the indebtedness of the Company, derived from the audited re-registration accounts of the Company, is summarised below:

	<i>Company</i> £'000
Total current debt	
Guaranteed	202
Secured	–
Unguaranteed/Unsecured	–
	<hr/> 202
Total non-current debt	
Guaranteed	2,069
Secured	–
Unguaranteed/Unsecured	–
	<hr/> 2,069
Total debt	<hr/> <u>2,271</u>

Except as detailed above, at the time of Admission the Group will have no other borrowings or indebtedness (other than normal trade bills) or acceptance credits or hire purchase commitments.

10. Principal terms of the Acquisition

Likewise has agreed, subject to a number of conditions, including the approval of the Acquisition by Shareholders at the General Meeting and Admission, to acquire 100 per cent. of Heatseam's share capital for maximum consideration of £10.0m.

The consideration is calculated in accordance with a set of locked box accounts dated 31 January 2019. The Acquisition Agreement contains warranties given by the Seller to the Company in relation to any leakage in Heatseam between 31 January 2019 and Completion and generally in relation to Heatseam.

The consideration comprises £8.0m in cash, £0.5m of which is deferred for 12 months, and the issue of the Consideration Shares, valued at £0.5m at the Placing Price. If the Consideration Shares are valued at less than £2.0m on the second anniversary of Completion, then the shortfall will be settled in cash or by the allotment of Additional Consideration Shares at the election of the Seller.

Following the Acquisition, the Seller will have an interest in 2.0m Shares representing 1.3 per cent. of the Enlarged Share Capital.

The Acquisition Agreement contains certain warranties and indemnities given by the Seller, the sole shareholder of Heatseam, in relation to Heatseam, subject to certain limitations as to quantum. Claims under the general warranties must be brought within two years of Completion and claims under the tax warranties must be brought within seven years of Completion. Please refer to paragraph 7.7 of Part V of this Document for further details about the Acquisition Agreement.

11. Financial impact of the Acquisition

Likewise is financing the Acquisition and associated expenses through the Placing and Introduction, raising gross proceeds of £7.5m and its own cash resources. The Company estimates that the gross debt of the Enlarged Group following completion of the Acquisition will be c.£2.2m.

The Company will incur advisers' fees, commission and expenses of c.£0.5m in connection with the Acquisition, the Placing, the Introduction and Admission.

12. Current trading

The Company has traded materially in line with the Board's expectations in the period since the 30 June 2018 unaudited interim results as published in the IPO Listing Document.

13. Acquisitions

In line with its strategy, the Company is currently in negotiations for the potential acquisition of another separate business (**Project A**) which will be complementary to the Group and, in the view of the Directors, will enable the Group to enhance its operations and potentially its profitability.

Project A

This would be a c.€1.0m acquisition of the entire issued share capital of a floorcoverings distribution company based in Western Europe. Negotiations are at an early stage and subject to due diligence and legal documentation.

Based on the financial information currently available, Project A would not be deemed to be a substantial transaction under the TISEA Listing Rules. The Directors believe that the information about Project A contained herein is as full, accurate and complete as they are able to present, given legal and commercial considerations, to enable potential investors to make a properly informed assessment of the Company and of the Shares. Should the acquisition of Project A complete following Admission, the Company will announce this to the market via the TISE website.

No Director nor any Substantial Shareholder, nor any Associate of either of them, has an interest in Project A.

The confidential nature of the negotiations and commercial sensitivities in respect of Project A prevents the Company from disclosing further details at this stage. While the Directors believe this acquisition, if agreed, could be completed soon after Admission, there is no guarantee that negotiations will ultimately prove successful.

14. Dividend policy

The Directors intend to re-invest a significant portion of the Company's earnings to facilitate plans for further growth. Accordingly, whilst the Directors do not expect to declare any dividend in respect of the financial year ended on 31 December 2018, it is the Board's intention, should the Group generate a sustained level of distributable profits, to consider a progressive dividend policy in future years.

Declaration of dividends will always remain subject to all applicable legal and regulatory requirements and recommendations of final dividends and payments of interim dividends will be at the discretion of the Board. The Board will not exercise such discretion where it is not commercially prudent to do so taking into account the policy set out above.

Whilst the Board considers dividends as the primary method of returning capital to Shareholders, it may, at its discretion, consider share purchases, when advantageous to Shareholders and where permissible.

The Company may revise its dividend policy from time to time.

15. Corporate governance

The Directors acknowledge the importance of the principles set out in the QCA Corporate Governance Code.

Whilst there is no regulatory requirement for the Company to comply with the QCA Corporate Governance Code, the Directors intend to apply the QCA Corporate Governance Code, as far as they consider appropriate for a company of the Company's size and nature.

The Board comprises four directors, two of whom are executive directors and two of whom are non-executive directors, reflecting a blend of different experience and backgrounds. Paul Bassi is considered independent.

The Board meets regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Board committees

The Board intends to establish an audit committee which will be responsible for reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim accounts and audit reports, considering the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Board also intends to establish a remuneration committee that is responsible for, *inter alia*, the Group's remuneration policy and for reviewing and recommending all Directors' and senior executives' remuneration, bonuses and incentives.

The Board also intends to establish a nominations committee with responsibility for identifying suitable candidates to be appointed as directors as and when a vacancy may arise. This committee will only meet as required.

16. Applicability of The Takeover Code

The Takeover Code is issued and administered by The Panel on Takeovers and Mergers (the **Takeover Panel**). The Company is subject to the Takeover Code and therefore its Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code when (i) a person acquires an interest in shares which (taken together with shares he and persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code, or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then, in either case, that person, together with the person acting in concert with him, is normally required to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights, unless the company has obtained the approval of over 50 per cent. of its independent shareholders in advance of such increase. All of the Company's shareholders at the date of publication of the IPO Listing Document are regarded as acting in concert for this purpose.

17. The Bribery Act

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010.

18. Employee incentive arrangements

In order to align the interests of Shareholders and employees, on the First Admission the Company adopted the Share Option Plans referred to in more detail in paragraph 9 of Part V of this Document.

19. Information on the Placing and Introduction

The Company is proposing to raise a total of £7.5m by way of an issue by the Company of the New Shares at the Placing Price.

The New Shares will represent 19.7 per cent. of the Enlarged Share Capital at Admission. The Placing Price is equal to the closing middle market price of £0.25 per Share on 20 March 2019 (being the last business day before trading in the Shares were suspended following an announcement regarding the proposed Acquisition). The Placing and the Introduction is not underwritten.

The Placing Agreement contains certain provisions (including customary market related provisions) entitling Zeus Capital to terminate the Placing Agreement, and Ravenscroft to terminate its rights and obligations under the Placing Agreement, in each case in certain limited circumstances at any time prior to Admission.

The New Shares being subscribed for pursuant to the Placing and Introduction will, on Admission, rank *pari passu* in all respects with the Existing Shares in issue and will participate in full for all dividends and other distributions thereafter declared, made or paid on the Shares. The New Shares will, immediately on and from Admission, be freely transferable.

The Placing is conditional on the Placing Agreement becoming unconditional (and not being terminated) and the Placing Agreement is conditional, among other things, on the Acquisition Agreement becoming unconditional (other than as regards any condition relating to the Placing Agreement or Admission having taken place) and on Admission becoming effective by no later than 8.00 a.m. on 18 April 2019 (or such later time as Likewise and Zeus Capital may agree). Admission is expected to become effective, and dealings in the Placing Shares to commence, at 8.00 a.m. on 18 April 2019. The Placing Agreement is not subject to any right of termination after Admission.

Prior to the date of this Document Likewise was approached by certain individuals (**Subscribers**) directly subscribing for Introduction Shares on the basis of information generally available prior to the date of this Document in the public domain. This Document does not contain an offer for subscription or other inducement to the Subscribers to subscribe for Shares. Likewise intend to issue the Introduction Shares to the Subscribers pursuant to the Introduction on Admission. The Introduction is conditional upon Admission becoming effective by no later than 8.00 a.m. on 18 April 2019 (or such later time as Likewise may agree). Admission is expected to become effective, and dealings in the Introduction Shares to commence, at 8.00 a.m. on 18 April 2019.

Upon Admission, Likewise's Enlarged Share Capital will comprise 152.0m Shares with voting rights. Likewise does not hold any shares in treasury. This figure of 152.0m Shares, may be used by Shareholders in Likewise following Admission as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of Likewise under the FCA's Disclosure Guidance and Transparency Rules.

Further details of the Placing Agreement are set out in paragraph 10 of Part V of this Document.

20. Lock-ins and orderly market arrangements

At Admission, the Seller will hold, or be interested in, directly and indirectly, an aggregate of 2.0m Shares, representing c.1.3 per cent. of the Enlarged Share Capital. The Seller has undertaken in the Acquisition Agreement not to dispose of any interest in such Shares for the period of 12 months following Admission, save for in certain limited circumstances, the Seller has undertaken not to dispose of any interest in such Shares unless through the Company's broker.

Each of the Directors, who will hold Shares following Admission, have undertaken, pursuant to the lock-in agreements:

- for a period of 12 months from First Admission, not to dispose of any of the Shares in which they are interested at Admission, except with the permission of the Company and Zeus Capital; and
- for a further period of 12 months to comply with certain requirements designed to maintain an orderly market in the Shares.

Further details of these lock-in agreements are set out in paragraph 7 of Part V of this Document.

21. Use of proceeds

The gross proceeds of the Placing and Introduction will be used to fund:

- the Heatseam acquisition;
- future acquisitions;
- additional working capital for the Group; and
- fees, commissions and expenses associated with the Placing, Introduction, Acquisition and Admission.

22. Admission

An Application has been made to TISEA for the Enlarged Share Capital to be admitted to trading on the Official List of TISEA. Admission is expected to take place and dealings in the Shares are expected to commence at 8.00 a.m. on 18 April 2019. The Shares are in registered form and will be capable of being held in certificated form and in CREST.

23. Interests in Shares

As at 22 March 2019, being the latest practicable date prior to publication of this Document, the Directors were in aggregate interested, directly or individually, in 47,357,500 Shares, representing c.39.5 per cent. of the Existing Shares.

At Admission, the Directors will in aggregate be interested, directly or indirectly, in 51,232,500 Shares, representing c.33.7 per cent. of the Enlarged Share Capital.

At Admission, by way of participation in the Introduction and/or Placing Paul Bassi, Anthony Brewer, Roy Povey and Andrew Simpson will acquire 400,000, 2,400,000, 400,000 and 675,000 Shares respectively.

In addition, at Admission, the Seller, will hold 2.0m Shares as a result of the issue of Consideration Shares.

24. Subsidiaries

Likewise owns and upon Admission will own the following subsidiaries, each of which is wholly owned unless otherwise stated:

- Likewise Trading Limited (which holds the business and assets of the Bruce Starke business);
- William Armes Holdings Limited (which in turn wholly owns William Armes Limited);
- Lewis Abbott Limited; and
- Heatseam Limited (which in turn wholly owns Factory Flooring Outlet Limited).

25. Taxation

The attention of investors is drawn to the information regarding taxation set out in paragraph 8 of Part V, of this Document. The information is intended only as a general guide to the current tax position under United Kingdom taxation law for certain types of investor.

Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the United Kingdom are strongly advised to consult their professional advisers.

26. Shareholder fees

No fee shall be charged by the Company for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to or registration of any Share.

A transfer may incur stamp duty, other taxes, administrative fees and potentially brokerage fees.
Shareholders are advised to consult their professional advisers if in any doubt.

27. Risk Factors

Your attention is drawn to the risk factors set out in Part III of this Document and to the section entitled Forward Looking Statements in Presentation of Information. In addition to all other information set out in this Document, potential investors should carefully consider the risks described in those sections before making a decision to invest in the Company.

28. Additional information

You should read the whole of this Document and not just rely on the information contained in this Part I. Your attention is drawn to the information set out in Parts II to V (inclusive) of this Document which contain further information on the Company and the Group.

Action to be taken

You will find enclosed a Form of Proxy for use in respect of the General Meeting. As a Shareholder you are entitled to appoint one or more persons as proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting. A proxy need not be a Shareholder of the Company.

Whether or not you intend to attend the General Meeting, please complete and sign the Form of Proxy in accordance with the instructions printed on it and return this as soon as possible but, in any event, to be valid, so as to reach the Company's Registrar, Link Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 10.00 a.m. on 12 April 2019 (being not less than 48 hours (excluding non-working days) before the time appointed for the General Meeting (or adjourned meeting)). If you attend the General Meeting, you will still be able to vote but this will only be necessary if you intend to change the voting instructions given on your Form of Proxy.

General Meeting

The General Meeting is to be held at 10.00 a.m. on 16 April 2019 at Hogarths Stone Manor Hotel, Stone, Kidderminster, Worcestershire, DY10 4PJ to consider and, if thought fit, pass the resolutions proposed in connection with, *inter alia*, the Acquisition, the Introduction and the Placing.

The resolutions to be proposed at the General Meeting are set out in the notice of General Meeting in Appendix 1 of this Document, and are summarised below:

- an ordinary resolution that, subject to the passing of the next three resolutions referred to below, the Acquisition be approved for the purposes, *inter alia*, of Rule 3.4.2 of the TISEA Rules;
- an ordinary resolution to authorise the Directors to allot the New Shares and the Consideration Shares;
- an ordinary resolution to authorise the Directors to allot Shares up to an aggregate nominal amount of £810,000 being approximately equal to 50 per cent. of the issued share capital of the Company immediately following Admission);
- a special resolution to grant the Directors power to allot Shares for cash on a non pre-emptive basis in connection with the New Shares, in connection with the Consideration Shares, up to an aggregate nominal amount of £81,000 (such amount being approximately 5 per cent. of the issued share capital of the Company immediately following Admission) and in connection with a rights issue or other pre-emptive offer;
- a special resolution to grant the Directors power to allot Shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £81,000 (such amount being approximately 5 per cent. of the issued share capital of the Company immediately following Admission), in connection with the issue of Shares as consideration in connection with any acquisitions of companies or businesses which the Company may wish to make in the future and/or in connection with an offer for subscription or placing of Shares with investors to raise additional funds for the Company in the future;
- an ordinary resolution that the rules of the SAYE Scheme Rules be amended to remove the restriction on the number of shares which may be subject to options;
- an ordinary resolution to authorise the Directors to invite Eligible Employees under the SAYE Scheme Rules (as amended) to participate in the SAYE Scheme;

- an ordinary resolution that the EMI Options scheme rules be amended to remove the restriction on the number of shares which may be subject to options; and
- Ordinary resolutions to authorise the Company to grant Management Options to two employees over a total of 150,000 Shares in the Company and to grant further Management Options in accordance with the EMI Scheme Rules to such other employees as the Directors may select.

Recommendation and irrevocable undertakings

The Directors consider that the Acquisition, the Introduction and the Placing are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions to approve the Acquisition, the Introduction and the Placing at the General Meeting, as they have irrevocably undertaken to do so in respect of their own aggregate holdings of 47,357,500 Shares, representing 39.5 per cent. of the issued share capital as at the latest practicable date before publication of this Document.

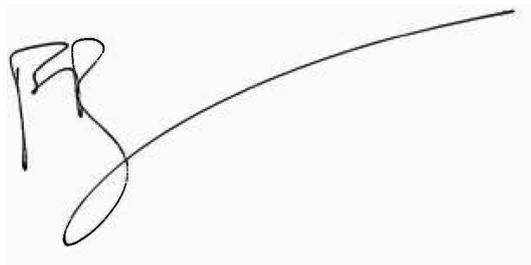
The Directors consider that the amendments to the rules of the Share Option Plans are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions to amend the Share Option Plans at the General Meeting, as they have irrevocably undertaken to do so in respect of their own shareholdings.

The Directors consider that the Directors' authorities granted by the resolutions to be proposed at the General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do so in respect of their own shareholdings.

Irrevocable undertakings to vote in favour of the resolutions being proposed at the General Meeting have been secured from Shareholders holding in aggregate 88,975,000 Ordinary Shares, representing 74.1 per cent. of the Existing Shares.

Yours faithfully

Paul Bassi
Chairman

A handwritten signature in black ink, appearing to be 'PB', with a long, sweeping horizontal line extending to the right across the page.

PART II

MANAGEMENT

1. Directors and senior management

The Group has brought together a team of experienced professionals who have a wealth of experience in the floorcoverings market.

(a) **PLC Board**

The Board comprises two executive directors, a non-executive chairman and a non-executive director.

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Paul Bassi	Independent Non-Executive Chairman	17 December 2018
Anthony Brewer	Chief Executive Officer	27 February 2018
Roy Povey	Chief Financial Officer	17 December 2018
Andrew Simpson	Non-Executive Director	27 February 2018

Brief biographies of the Directors and members of senior management are set out below:

Paramjit Paul Singh Bassi CBE DL D.UNV, 56, Independent Non-Executive Chairman

CEO of Real Estate Investors PLC, the Birmingham based quoted Real Estate Investment Trust (REIT). Also founder and non-executive Chairman of Bond Wolfe (founded in 1983) and formerly non-executive Chairman and major shareholder of CP Bigwood Chartered Surveyors. Paul served as President of the Birmingham Chamber of Commerce and was formerly the Regional Chairman & Strategy Advisor to Coutts Bank (West Midlands) and former Director of the Birmingham Hippodrome. Appointed High Sheriff for the County of West Midlands in 2009 and has received Honorary Doctorates from both Birmingham City University and Aston University. Paul continues to support the community via the Bond Wolfe Charitable Trust, and in 2017, Paul founded the Sandwell Valley School, providing education and training programmes for vulnerable young people. The school has proved an enormous success. In 2018, Paul was awarded the title of 'Ambassador of the Year' for the West Midlands at the Business Desk Business Masters Awards.

Anthony John Brewer, 58, Chief Executive Officer

41 years' experience within flooring, gaining extensive industry knowledge and supplier relationships. Joined Headlam in 1991 as Managing Director of their Flooring Division and Main Board Director. Headlam Chief Executive from 2000 until 2016. Recently appointed Chief Executive of Likewise, principally responsible for strategy, acquisitions, supplier and investor relations.

Roy Povey FCCA, 52, Chief Financial Officer

Financial Controller with 18 years' experience in the flooring industry and 6 years as Financial Director within the home improvement industry. Working as Financial Controller and as part of the senior management teams in Headlam Coleshill and Tamworth, he has successfully integrated several newly acquired business both financially and operationally. In acknowledgement of his operational experience he was appointed as General Manager at Mercado before joining Likewise.

Andrew James William Simpson, 66, Non-Executive Director

Following many years' experience in the flooring industry, Andrew joined Headlam in 1991. He retired in 2010 after 37 years gaining immense knowledge and experience working with suppliers, customers and employees.

(b) **Executive Board**

Adrian Laffey, 47

30 years' experience in the flooring industry, from retail to distribution. Joined Mercado in 1993 as a Sales Representative progressing to Buying Director and latterly Joint Managing Director, with responsibility for the four businesses operating from the Mercado site. Recently promoted to be responsible for all aspects of Headlam's flagship distribution centre in Tamworth before joining Likewise. Global supplier relationships across all types of flooring products with considerable industry knowledge.

James Kellett, 46

28 years' flooring industry experience, starting on the trade counter working through the business to sales, stock control, then 15 years as commercial buying director for the Mercado group of companies within Headlam, latterly joint managing director. James has strong supplier and customer relations across the commercial and luxury vinyl tile flooring sectors.

Martin West LISM, 54

31 years' experience in the flooring industry, active in sales, marketing, sales management and product development. In 2014 qualified as a leader in the Institute of Sales Management. Martin joined William Armes as Managing Director in May 2018, having previously worked for Headlam for 17 years, rising to the position of Commercial Director responsible for specialist residential businesses and Lifestyle Floors, their flagship brand. Martin has responsibility for the 'specialised' businesses.

(c) **Advisory Board**

Andrew Woodhouse, 53

36 years' experience within retailing and distribution, 22 specifically within the domestic floorcoverings market. Previously Managing Director of Headlam subsidiary, National Carpets, for 16 years, responsible for developing and maintaining business with many National Retailers including B&Q, Next, B&M Tesco & The Range. Huge experience in worldwide product sourcing and development of residential flooring.

Geoff Duggan FCIS FCMA, 57

Geoff retired in 2017, with 30 years' experience as a Company Secretary for listed companies, most recently Headlam, from 1998 to 2017, where in addition to board and secretarial matters, he was responsible for Headlam property, human resources, health & safety, pensions, payroll, legal and regulatory compliance and insurance.

Keith Yates, 62

Keith has 32 years in the flooring trade, 20 of those as Managing Director of Mercado. Extensive IT and logistics experience, originally from an accountancy background. Served on the operational board of Headlam for over 15 years, leading the integration of many acquired businesses. Specific responsibilities for IT, logistics and integration of acquisitions within Likewise.

Paul Wiseman, 55

Recently retired having worked for 37 years in the flooring industry within the commercial sector having been Managing Director of JHS for over 25 years. JHS was acquired by the Headlam Group in 1999 and subsequently moved to its current location at the flagship distribution centre in Tamworth. Paul was the senior manager at this business and responsible for the running of a number of Headlam's specialist contract businesses.

Stuart Large, 75

Nearly 50 years working in the flooring industry. Stuart started in 1970 working for Armstrong World Industries, in the USA. He spent over 30 years with Armstrong and worked in various management

positions in the UK, Hong Kong, Russia and Australia. In 1990 Stuart became responsible initially for floor operations outside of the USA and subsequently in the mid 1990s joined one of three members of Armstrong's global flooring management team. Since 2003, Stuart has worked with many leading flooring companies as an advisor for strategy and acquisitions.

2. Share Dealing

The Directors will comply with TISEA's Model Code for Security Transactions by Persons Discharging Managerial Responsibilities in respect of Issuers and will take all reasonable and proper steps to ensure compliance by applicable employees as required by the TISEA Listing Rules.

PART III

RISK FACTORS

Before making any investment decision, prospective investors should carefully consider all the information contained in this Document including, in particular, the risk factors described below.

Shares may not be a suitable investment for all recipients of this Document. If you are in any doubt about the Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

In addition to the usual risks associated with an investment in a company, the Directors consider that the factors and risks described below are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this Document, prior to making any investment decision in respect of the Shares. The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

It should be noted that the risks described below are not the only risks faced by the Company and there may be additional risks that the Directors currently consider not to be material or of which they are currently not aware.

If any of the events described in the following risks actually occur, the Company's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Shares could decline and investors could lose all or part of their investment.

Risks specific to the Enlarged Group's business

The Acquisition may not complete

Completion of the Acquisition is subject to the satisfaction of a number of conditions precedent contained in the Acquisition Agreement including but not limited to, the approval of the Acquisition, Introduction and Placing by the Shareholders at the General Meeting and Admission.

The Enlarged Group may not be able fully to realise the benefits of the Acquisition

The Enlarged Group's success will partially depend upon the Company's ability following the Acquisition to integrate certain parts of Likewise into Heatseam without significant disruption to the business. The integration may divert management's attention from the ordinary operations of the business and raise unexpected issues and may take longer or prove more costly than anticipated. Although the Directors believe that such disruption is unlikely, issues may come to light during the course of integrating the Enlarged Group that may have an adverse effect on the financial condition and results of operations of the Enlarged Group.

The Enlarged Group is targeting significant synergies from the Acquisition and the Enlarged Group's financial planning is based in part on realising these synergies. There is no assurance that the Company will realise the potential benefits of the Acquisition including, without limitation, attracting additional customers and improving logistical operations and within the time frame contemplated. There is a risk that synergy benefits from the Acquisition may fail to materialise or they may be lower than have been estimated. If the Company and Heatseam are unable to integrate successfully then this could have a negative impact on the results of the operations and/or financial condition of the Enlarged Group. In addition, the cost of funding these synergies may exceed expectations and such eventualities may have a material adverse effect on the financial position of the Enlarged Group.

The Enlarged Group's success will partially depend on there being no adverse change in the businesses of Likewise and Heatseam between the date of this document and the date of the completion of the proposed Acquisition.

The Acquisition will have a dilutive effect on the proportionate shareholdings

As a result of the issuance of the New Shares, Consideration Shares and any Additional Consideration Shares issued subsequent to Completion, the Shareholders will experience dilution of their holdings and voting interest in the Company in comparison to their holdings and voting interest in the Company prior to the Placing, the Introduction and the Acquisition.

The Enlarged Group's Acquisition related costs may exceed its expectations

The Enlarged Group's transaction-related costs may exceed its expectations. The Enlarged Group will incur a number of costs in relation to the Acquisition, including integration and post-Completion costs in order to successfully combine the operations of Heatseam and the Company. In addition, the Company will incur legal, accounting and other fees and costs relating to the Acquisition, some of which are payable whether or not the Acquisition completes.

Operational and integration risks may occur post Acquisition

Operating and combining two established businesses together is a complex exercise and carries associated risks. If not managed carefully the operational effectiveness and efficiency of the two businesses could be negatively affected, impacting upon profitability and cash generation as well as relations with key stakeholders.

Due diligence and the protections for the Company in the Acquisition Agreement may be inadequate

Whilst limited scope commercial, legal and financial due diligence has been conducted on Heatseam there can be no guarantee that the Acquisition does not involve or include any liabilities, issues or defects and that the warranties and indemnities obtained under the Acquisition Agreement will provide an adequate remedy for the Company to seek compensation for any loss or liability arising therefrom.

Regulatory risk

Adverse developments in the political, legal, economic and regulatory environments of the geographies which the Enlarged Group may operate in may materially and adversely affect the financial position and business prospects of the Enlarged Group. Political and economic uncertainties include, but are not limited to, expropriation, acts of nationalisation, changes in interest rates, changes in the retail prices index, and changes in taxation and changes in law. Whilst the Enlarged Group strives to take effective measures such as prudent financial management, deploying robust policies and efficient operating procedures, there is no assurance that adverse political, economic, legal and regulatory factors will not materially and adversely affect the Enlarged Group. There may be a change in the regulatory environment which may materially adversely affect the Enlarged Group's ability to implement successfully the strategy set out in this Document.

Reputation with customer base

The Enlarged Group has direct interaction with the end customer. There is a risk that circumstances outside the Enlarged Group's control may lead to reputational issues which may affect the future performance of the Enlarged Group. Similarly, the Enlarged Group's reputation is key to maintaining its existing customers and attracting new customers. Any reputational issues could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Market and competition

Both Likewise and Heatseam operate in a competitive marketplace and there can be no guarantee that existing clients will continue to use their services or that new clients can be won. Competitive pressures may reduce the margins available to both Likewise and Heatseam, thus impacting their future profitability. In addition, a significant shift in market dynamics could lead to customers and/or suppliers facing difficulties which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Enlarged Group.

Specific risks to the Company's business

Business strategy and acquisitions

The value of an investment in the Company is dependent, *inter alia*, upon the Company achieving the aims set out in this Document and in particular its acquisitions strategy. Acquisition targets might not be available at valuations acceptable to the Company (or at all) and/or the mergers and acquisitions market might be less conducive in the future to acquisitions in general. Although the Company has a clearly defined strategy, there can be no guarantee that its objectives will be achieved or that the Company will achieve the level of success that the Directors expect. Furthermore, the Company may decide to change aspects of its strategy described in this Document.

The Company's ability to implement its business strategy successfully may be adversely impacted by factors that the Company cannot currently foresee, such as unanticipated market forces, costs and expenses or technological factors. Should it be unsuccessful in implementing its strategy or should it take longer than expected to implement, the future financial results of the Company could be negatively impacted.

Ability to recruit and retain skilled personnel

The Company believes that it has the appropriate incentive structures to attract and retain the calibre of employees necessary to ensure the efficient management and development of the Company. However, any difficulties encountered in hiring appropriate employees and the failure to do so, or a change in market conditions that renders current incentive structures lacking, may have a detrimental effect upon the trading performance of the Company. The ability to attract new employees with the appropriate expertise and skills cannot be guaranteed.

Financial controls and internal reporting procedures

The Company's future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Company's growth could have a material adverse effect on the Company's business, financial condition and results of operations.

Disruption to operations or systems

The Company depends on the performance, reliability and availability of its information technology systems. Any damage to, or failure of, its systems could result in disruption to the Company's operations. The Company's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part or damage that it suffers fully or at all, which could have a materially adverse effect on the Company's business, financial condition and results of operations.

The Company's insurance policies may be inadequate to cover the cost of claims made against the Company

While the Company maintains commercial insurance at a level it believes is appropriate against certain risks commonly insured in the industry, there is no guarantee that it will be able to obtain the desired levels of cover on acceptable terms in the future. Furthermore, the nature of these risks is such that liabilities could exceed policy limits or that certain risks could be excluded from the Company's insurance coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position.

The Company's operations could suffer losses which may not be fully compensated by insurance. In addition, certain types of risks may be, or may become, either uninsurable or not economically insurable, or may not be currently or in the future covered by the Company's insurance policies. Any of the foregoing could have a material adverse effect on the Company's operating results, business prospects and financial condition.

Exposure to exchange rate fluctuations

The Company is exposed to exchange rate fluctuations, principally the GBP, the US\$, the Euro and other. Changes in foreign currency exchange rates may affect the Company's pricing of products sold and materials purchased in foreign currencies.

The Directors believe that the Company's use of certain derivative financial instruments, including foreign currency forward contracts used to hedge sale commitments denominated in foreign currencies, reduces the Company's exposure to this risk.

Borrowing and Interest Rate Risk

The Company has taken out various borrowings from the Company's Bankers. The facilities are subject to covenant tests and the interest rate payable is linked to the Bank of England Base Rate. In addition, in the event that the Group's profit falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net profit of the Group.

The Group pays interest on its borrowings. As such, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may adversely affect the interest payable on the Group's variable rate borrowings. In the event that interest rate movements raise the interest required to be paid by the Group, returns to investors will be reduced.

Although the Company is not currently in breach of any covenants set forth in any agreements related to its debt facilities, if in future the Group were to experience the occurrence of events of default or breaches of financial or performance covenants under its financing arrangements, this could result in the amortisation, default and/or acceleration of such facilities and could reduce or terminate the Group's access to institutional funding. If such an event were to occur, it would have a material adverse effect on its business, financial condition, operating results and cash flow. Any amounts that are advanced under a bank or other debt facility will rank ahead of Shareholders' entitlements and, accordingly, Shareholders may not recover their initial investment in some circumstances.

General risks relating to the Company

The Company is reliant on key executives and personnel

The Company's business, development and prospects are dependent upon the continued services and performance of its Directors and other key personnel. The experience and commercial relationships of the Company's personnel help provide the Company with a competitive advantage. The Directors believe that the loss of services of any existing key executives, for any reason, or failure to attract and retain necessary additional personnel, could adversely impact on the business, development, financial condition, results of operations and prospects of the Company.

The UK's decision to leave the European Union may have an adverse effect on the Company's ability to access European markets

The UK held a referendum on its membership of the European Union on 23 June 2016, the result of which was a majority vote in favour of the UK's exit from the European Union. Following this vote, on 29 March 2017, the UK Government triggered Article 50 of the Lisbon Treaty to commence the process of the UK leaving the European Union. The political, economic, legal and social consequences, the exact timing of the UK's exit from the European Union, as well as the potential ultimate outcome of any agreement between the UK and the European Union, remain uncertain as at the date of this Document.

Such potentially prolonged uncertainty and the potential negative economic trends that may follow could have a material adverse effect on the Company's access to European markets which in turn could have a negative impact on the Company's business, financial position and/or results of operations.

Exposure to economic cycle

Market conditions may affect the value of the Company's share price regardless of operating performance. The Company could be affected by unforeseen events outside of its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Company could be adversely affected

by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Company may operate. Deterioration in the economic climate could result in a delay or cancellation of clients' projects.

Future funding risk

Likewise's longer-term capital requirements will depend on many factors, including, but not limited to, revenue from operations, working capital requirements and capital expenditure. To the extent that the existing resources are insufficient to fund further expansion or potential acquisitions, the Company may need to raise additional funds through public or private financing. No assurance can be given that additional financing will be available or that, if available, the terms of such financing will be favourable to the Company or its Shareholders. If, in the longer-term, the Company raises additional funds by issuing more Shares in the Company the ownership interest of Shareholders could be significantly diluted, and any additional issues may be of instruments that have rights, preferences or privileges senior to the rights currently assigned to the Shares.

Counterparty credit risk

There is a risk that parties with whom the Company trades or has other business relationships (including partners, customers, suppliers, subcontractors and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Company trades becomes insolvent, this could have an adverse impact on the revenues and profitability of the Company.

Force majeure events

There is a risk that the markets in which the Company currently operates could be affected by events such as war, civil war, riot or armed conflict, acts of terrorism, floods, explosions or other catastrophes, epidemics or quarantine restrictions, which are outside of the Directors' control and generally not covered by insurance. Such events could have a variety of materially adverse consequences for the Company, including risks and costs related to decline in revenues or reputational damage, and injury or loss of life, as well as litigation related thereto.

Laws and regulations

The Company is subject to the laws of the United Kingdom. Existing and future legislation and regulation could cause additional expense, capital expenditure and restrictions and delays in the activities of the Company, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted, or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Company's activities or services. In addition, the Company may have to defend itself against legal proceedings which could have an adverse effect on trading performance and, in turn, future profits. The Company also exports its products overseas and therefore its exports may be subject to existing and future overseas legislation and regulation and similar risks therefore also applying in relation to such overseas existing and future legislation and regulation.

General risks relating to the Shares

Suitability of the Shares

Investment in the Shares may not be suitable for all readers of this Document. Readers are accordingly advised to consult a person duly authorised under the FSMA who specialises in investments of this nature before making any investment decisions.

Volatility in the prices of Shares

The Placing Price may not be indicative of the market price for the Shares following Admission.

The subsequent market price of the Shares may be subject to wide fluctuations in response to a number of events and factors that are unrelated to Company's operating performance such as variations in operating results, changes in financial estimates, recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, market perceptions of the Company, new reports relating to trends in the Company's markets, large purchases or sales of Shares, liquidity (or absence of liquidity) in the Shares, currency fluctuations, legislative or regulatory changes, national

and global economic conditions and various other factors and events. These fluctuations may adversely affect the trading price of the Shares, regardless of the Company's performance.

The price at which the Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some not specific to the Company and its operations. Furthermore, there is no guarantee that the market price of a Share will accurately reflect its underlying value.

Liquidity of Shares

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

Future issues of Shares may result in dilution of existing Shareholders

Whilst it has no current plan to do so, the Company may decide to issue additional Shares in the future in subsequent public offerings or private placements to fund expansion and development. If existing Shareholders do not subscribe for additional Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company. Furthermore, the issue of additional Shares may be on more favourable terms than the New Shares. The issue of additional Shares by the Company, or the possibility of such issue, may cause the market price of the Shares to decline and may make it more difficult for Shareholders to sell Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Shares at a price which is equal to or in excess of the Placing Price.

Future performance of the Company cannot be guaranteed

There is no certainty and no representation or warranty is given by any person that the Company will be able to achieve any returns referred to in this Document. The financial operations of the Company may be adversely affected by general economic conditions or by the particular financial condition of other parties doing business with the Company.

There is no guarantee that the Company will maintain its quotation on TISE

The Company cannot assure investors that the Company will always retain a quotation on TISE or any other public market. If the Company fails to do so, certain investors may decide to sell their Shares, which could have an adverse impact on the share price. Additionally, if in the future the Company decides to obtain a listing on another exchange, in addition to TISE or as an alternative, this may affect the liquidity of the Shares traded on TISE.

Share price effect of sales of Shares

The market price of Shares could decline significantly as a result of any sales of Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in paragraph 7 of Part V of this Document, or the expectation or belief that such sales of Shares may occur.

Conditionality of the Introduction and Placing

The Introduction and Placing are conditional upon, among other things, Admission. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, Admission (and therefore the Introduction and Placing) will not occur.

Legislation and tax status

This Document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation or regulation and, in particular, in tax status or tax residence of the Company or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company.

Taxation

The attention of potential investors is drawn to paragraph 8 of Part V of this Document headed "Taxation". The tax rules and their interpretation relating to an investment in the Company may change during its life. Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this Document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change. Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Shares.

Dividends

The Company's ability to pay dividends (including any special dividends) in the future is affected by a number of factors, principally the generation of distributable profits within the Company. Under English law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. In addition, the Company may not pay dividends if the Directors believe this would cause the Company to be inadequately capitalised or if, for any other reason, the Directors conclude it would not be in the best interests of the Company. Any change in the tax treatment of dividends or interest received by the Company may reduce the amounts available for dividend distribution. Any of the foregoing could limit the payment of dividends to Shareholders or, if the Company does pay dividends, the amount of such dividends. In addition, the Company's ability to pay dividends will depend on the level of distributions, if any, received from its operating subsidiaries. The Company's subsidiaries may, from time to time, be subject to restrictions on their ability to make distributions including foreign exchange limitations, and regulatory, fiscal and other restrictions.

PART IV A

HISTORICAL FINANCIAL INFORMATION – HEATSEAM LIMITED (2016 – 2018)

REGISTERED NUMBER: 03220392 (England and Wales)

Financial Statements
for the Year Ended 31st March 2017
for
Heatseam Limited

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for the year ended 31st March 2017

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Heatseam Limited
Company Information
for the year ended 31st March 2017

DIRECTORS:	GAT Toomes S J Toomes
REGISTERED OFFICE:	Units 4 + 5 Heatseam Business Park Ravensthorpe Road Dewsbury West Yorkshire WF12 9EG
REGISTERED NUMBER:	03220392 (England and Wales)
AUDITORS:	cbaSadofskys Statutory Auditors Princes House Wright Street Hull East Yorkshire HU2 8HX
BANKERS:	Lloyds TSB 45 Hustlergate Bradford West Yorkshire BD1 1NT

Heatseam Limited (Registered number: 03220392)

Balance Sheet
31st March 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	4		703,031		647,536
CURRENT ASSETS					
Stocks		2,988,950		2,231,780	
Debtors	5	1,936,605		1,461,767	
Cash at bank		438,795		188,780	
		<u>5,364,350</u>		<u>3,882,327</u>	
CREDITORS					
Amounts falling due within one year	6	<u>3,483,844</u>		<u>2,755,686</u>	
NET CURRENT ASSETS			<u>1,880,506</u>		<u>1,126,641</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,583,537</u>		<u>1,774,177</u>
CREDITORS					
Amounts falling due after more than one year	7		(243,693)		(157,063)
PROVISIONS FOR LIABILITIES			<u>(108,573)</u>		<u>(147,933)</u>
NET ASSETS			<u>2,231,271</u>		<u>1,469,181</u>
CAPITAL AND RESERVES					
Called up share capital			2		2
Retained earnings			<u>2,231,269</u>		<u>1,469,179</u>
SHAREHOLDERS' FUNDS			<u>2,231,271</u>		<u>1,469,181</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 14th March 2018 and were signed on its behalf by:

GAT Toomes - Director

The notes form part of these financial statements

Heatseam Limited (Registered number: 03220392)

Notes to the Financial Statements
for the year ended 31st March 2017

1. **STATUTORY INFORMATION**

Heatseam Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the company's first reporting period and therefore the first period in which the company's financial statements have been prepared under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". There are no previous periods for which the financial statements have been prepared.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Plant and machinery etc - 25% on reducing balance and 15% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

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

**Notes to the Financial Statements - continued
for the year ended 31st March 2017**

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 51 .

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1st April 2016	990,960
Additions	227,870
Disposals	(62,264)
At 31st March 2017	<u>1,156,566</u>
DEPRECIATION	
At 1st April 2016	343,424
Charge for year	144,796
Eliminated on disposal	(34,685)
At 31st March 2017	<u>453,535</u>
NET BOOK VALUE	
At 31st March 2017	<u>703,031</u>
At 31st March 2016	<u>647,536</u>

Included within the total net book value of tangible fixed assets is £348,045 (2016: £276,822) in respect of assets held under finance leases and similar hire purchase contracts.

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade debtors	1,448,167	1,038,150
Amounts owed by associates	326,266	201,528
Other debtors	79,235	83,226
Directors' current accounts	-	119,689
Prepayments and accrued income	82,937	19,174
	<u>1,936,605</u>	<u>1,461,767</u>

Heatseam Limited (Registered number: 03220392)

**Notes to the Financial Statements - continued
for the year ended 31st March 2017**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	266,853	95,338
Hire purchase contracts	118,929	95,941
Trade creditors	1,995,565	2,006,177
Taxation	213,665	74,980
Social security and other taxes	470,350	421,035
Other creditors	150,068	-
Directors' current accounts	198,185	-
Accruals and deferred income	70,229	62,215
	<u>3,483,844</u>	<u>2,755,686</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans - 2-5 years	117,611	-
Hire purchase contracts	126,082	157,063
	<u>243,693</u>	<u>157,063</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdraft	168,988	-
Bank loans	215,476	95,338
Hire purchase contracts	245,011	253,004
	<u>629,475</u>	<u>348,342</u>

The company's debt is secured by a fixed and floating charge over the assets of the company.

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was qualified on the following basis:

Basis for qualified opinion

We were not appointed as auditors of the Company until after 31st March 2017 and thus did not observe the counting of physical inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held as at 31st March 2016 and 31st March 2017 which are stated in the balance sheet at £2,231,780 and £2,988,950 respectively. As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and the elements making up the statement of comprehensive income, statement of changes in equity and statements of cash flows.

Alan Brocklehurst (Senior Statutory Auditor)
for and on behalf of cbaSadofskys

REGISTERED NUMBER: 03220392 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31st March 2018
for
Heatseam Limited

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for the year ended 31st March 2018

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Heatseam Limited
Company Information
for the year ended 31st March 2018

DIRECTORS:	GAT Toomes S J Toomes
REGISTERED OFFICE:	Units 4 + 5 Heatseam Business Park Ravensthorpe Road Dewsbury West Yorkshire WF12 9EG
REGISTERED NUMBER:	03220392 (England and Wales)
AUDITORS:	cbaSadofskys Statutory Auditors Princes House Wright Street Hull East Yorkshire HU2 8HX
BANKERS:	Lloyds TSB 45 Hustlergate Bradford West Yorkshire BD1 1NT

Strategic Report
for the year ended 31st March 2018

The directors present their strategic report for the year ended 31st March 2018.

REVIEW OF BUSINESS

	2018	2017	2016
	£	£	£
Turnover	18,997,849	17,705,452	13,673,089
Turnover growth %	7.3%	29.5%	19.4%
Gross Profit Margin %	21.4%	21.9%	20.3%
Profit before Taxation	1,034,984	936,395	795,466

After an encouraging first half of the year the company was hit by major IT systems problems late 2017 which crippled the operation for several weeks at the busiest time of the year. These issues took a few months to completely resolve with enormous effort from the management and staff and valuable support from loyal customers and trusting suppliers. Although momentum was lost and turnover for the second half of the year was well down on forecast the directors remain very satisfied with the overall results for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds and finance the company's operations.

Price risk

The company is a wholesale distributors of flooring products. The prices of such products tend to reduce on account of pricing pressure and competition. This risk is managed by maintaining adequate levels of stock and by monitoring the market continuously.

Foreign exchange risk

The company purchases some products in foreign currencies. The risk is mitigated by monitoring foreign exchange rates on a daily basis.

Credit risk

Credit checks are carried out on all customers. Amounts outstanding for both time and credit limits are regularly monitored. The company does experience bad debts but believes they have systems in place to mitigate these risks.

Liquidity risk

The company's liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and does not consider that liquidity poses a significant risk.

Interest rate and cash flow risk

The company had a favourable cash balance during the year and therefore does not consider that interest rates or cash flow pose a significant risk.

Strategic Report
for the year ended 31st March 2018

FUTURE DEVELOPMENTS AND STRATEGY

The directors are very confident that the company is now in the best possible shape to seize opportunities that will be created by significant changes in the industry. The company has expanded product ranges to include smooth flooring and has also increased its transport fleet to cover a wider area within the UK where it can offer next day deliveries. The investment in management and support structures made in the previous year is continuing with an expanded sales office now able to offer a full web ordering service. The company will also continue to source some supplies from outside the eurozone to obtain some protection from the problems all importers are facing with brexit. The directors expect the next financial year to show substantial turnover growth and increased profits which will be used to develop the business further.

ON BEHALF OF THE BOARD:

GAT Toomes - Director

3rd September 2018

Heatseam Limited (Registered number: 03220392)

Report of the Directors
for the year ended 31st March 2018

The directors present their report with the financial statements of the company for the year ended 31st March 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of wholesale of flooring products.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2018.

FUTURE DEVELOPMENTS

These details have been provided in the company's strategic report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2017 to the date of this report.

GAT Toomes

S J Toomes

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds and finance the company's operations.

Revenue Maintenance

The company actively markets and manages its portfolio of products to focus on revenue building and maintenance which, over the life cycle of the products can contribute to the future profits of the business.

Risks and uncertainties

These details have been provided in the company's strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Heatseam Limited (Registered number: 03220392)

Report of the Directors
for the year ended 31st March 2018

AUDITORS

The auditors, cbaSadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

GAT Toomes - Director

3rd September 2018

Report of the Independent Auditors to the Members of
Heatseam Limited

Opinion

We have audited the financial statements of Heatseam Limited (the 'company') for the year ended 31st March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Heatseam Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alan Brocklehurst (Senior Statutory Auditor)
for and on behalf of cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

13th September 2018

Heatseam Limited (Registered number: 03220392)

**Statement of Comprehensive Income
for the year ended 31st March 2018**

	Notes	2018		2017	
		£	£	£	£
TURNOVER			18,997,849		17,705,452
Cost of sales			14,922,370		13,821,449
GROSS PROFIT			4,075,479		3,884,003
Distribution costs		553,271		426,963	
Administrative expenses		2,451,858		2,296,722	
			3,005,129		2,723,685
OPERATING PROFIT	4		1,070,350		1,160,318
Interest receivable and similar income			25		102
			1,070,375		1,160,420
Amounts written off investments	5		-		184,717
			1,070,375		975,703
Interest payable and similar expenses	6		35,391		39,308
PROFIT BEFORE TAXATION			1,034,984		936,395
Tax on profit	7		198,647		174,305
PROFIT FOR THE FINANCIAL YEAR			836,337		762,090
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			836,337		762,090

The notes form part of these financial statements

Heatseam Limited (Registered number: 03220392)

Balance Sheet
31st March 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		627,803		703,031
CURRENT ASSETS					
Stocks	9	3,749,771		2,988,950	
Debtors	10	2,189,589		1,936,605	
Cash at bank		75,950		438,795	
		<u>6,015,310</u>		<u>5,364,350</u>	
CREDITORS					
Amounts falling due within one year	11	<u>3,413,356</u>		<u>3,483,844</u>	
NET CURRENT ASSETS			<u>2,601,954</u>		<u>1,880,506</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,229,757</u>		<u>2,583,537</u>
CREDITORS					
Amounts falling due after more than one year	12		(61,476)		(243,693)
PROVISIONS FOR LIABILITIES	16		<u>(100,673)</u>		<u>(108,573)</u>
NET ASSETS			<u>3,067,608</u>		<u>2,231,271</u>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Retained earnings			<u>3,067,606</u>		<u>2,231,269</u>
SHAREHOLDERS' FUNDS			<u>3,067,608</u>		<u>2,231,271</u>

The financial statements were approved by the Board of Directors on 3rd September 2018 and were signed on its behalf by:

GAT Toomes - Director

The notes form part of these financial statements

Heatseam Limited (Registered number: 03220392)

Statement of Changes in Equity
for the year ended 31st March 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st April 2016	2	1,469,179	1,469,181
Changes in equity			
Total comprehensive income	-	762,090	762,090
Balance at 31st March 2017	<u>2</u>	<u>2,231,269</u>	<u>2,231,271</u>
Changes in equity			
Total comprehensive income	-	836,337	836,337
Balance at 31st March 2018	<u>2</u>	<u>3,067,606</u>	<u>3,067,608</u>

The notes form part of these financial statements

Heatseam Limited (Registered number: 03220392)

Cash Flow Statement
for the year ended 31st March 2018

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	434,988	101,552
Interest paid		(24,065)	(28,846)
Interest element of hire purchase payments paid		(11,326)	(10,462)
Tax paid		(213,665)	(74,980)
Net cash from operating activities		<u>185,932</u>	<u>(12,736)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(94,352)	(227,870)
Sale of tangible fixed assets		12,150	16,250
Interest received		25	102
Net cash from investing activities		<u>(82,177)</u>	<u>(211,518)</u>
Cash flows from financing activities			
New loans in year		-	120,138
Loan repayments in year		(97,865)	-
Loans to connected companies		(35,799)	(124,738)
Capital repayments in year		(82,128)	(7,993)
Amount introduced by directors		-	317,874
Amount withdrawn by directors		(265,759)	-
Net cash from financing activities		<u>(481,551)</u>	<u>305,281</u>
(Decrease)/increase in cash and cash equivalents		<u>(377,796)</u>	<u>81,027</u>
Cash and cash equivalents at beginning of year	2	269,807	188,780
Cash and cash equivalents at end of year	2	<u>(107,989)</u>	<u>269,807</u>

The notes form part of these financial statements

Heatseam Limited (Registered number: 03220392)

Notes to the Cash Flow Statement
for the year ended 31st March 2018

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2018	2017
	£	£
Profit before taxation	1,034,984	936,395
Depreciation charges	146,947	144,796
Loss on disposal of fixed assets	10,483	11,329
Finance costs	35,391	39,308
Finance income	(25)	(102)
	<u>1,227,780</u>	<u>1,131,726</u>
Increase in stocks	(760,821)	(757,170)
Increase in trade and other debtors	(149,611)	(469,789)
Increase in trade and other creditors	117,640	196,785
Cash generated from operations	<u>434,988</u>	<u>101,552</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2018

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	75,950	438,795
Bank overdrafts	(183,939)	(168,988)
	<u>(107,989)</u>	<u>269,807</u>

Year ended 31st March 2017

	31/3/17	1/4/16
	£	£
Cash and cash equivalents	438,795	188,780
Bank overdrafts	(168,988)	-
	<u>269,807</u>	<u>188,780</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31st March 2018

1. **STATUTORY INFORMATION**

Heatseam Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

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

Heatseam Limited (Registered number: 03220392)

Notes to the Financial Statements - continued
for the year ended 31st March 2018

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	1,052,087	948,528
Social security costs	76,958	73,757
Other pension costs	76,298	74,302
	<u>1,205,343</u>	<u>1,096,587</u>

The average number of employees during the year was as follows:

	2018	2017
Distribution and Administration	<u>55</u>	<u>51</u>

	2018	2017
	£	£
Directors' remuneration	<u>59,808</u>	<u>57,638</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£	£
Hire of plant and machinery	40,638	31,029
Other operating leases	81,148	81,148
Depreciation - owned assets	146,947	144,796
Loss on disposal of fixed assets	10,483	11,329
Auditors' remuneration	<u>10,787</u>	<u>6,500</u>

5. **AMOUNTS WRITTEN OFF INVESTMENTS**

	2018	2017
	£	£
Amounts written off investments	<u>-</u>	<u>184,717</u>

Heatseam Limited (Registered number: 03220392)

**Notes to the Financial Statements - continued
for the year ended 31st March 2018**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	7,561	4,044
Bank loan interest	5,910	4,811
Interest on corporation tax	67	17
Loans written off	9,337	-
Disallowed interest and penalties	1,190	19,974
Hire purchase interest	11,326	10,462
	<u>35,391</u>	<u>39,308</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	206,547	213,665
Deferred taxation	(7,900)	(39,360)
Tax on profit	<u>198,647</u>	<u>174,305</u>

UK corporation tax has been charged at 19% (2017 - 20%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit before tax	<u>1,034,984</u>	<u>936,395</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	196,647	187,279
Effects of:		
Expenses not deductible for tax purposes	2,001	3,995
Capital allowances in excess of depreciation	-	(14,552)
Depreciation in excess of capital allowances	7,899	-
Amounts written off investments not taxable	-	36,943
Deferred Taxation movement	(7,900)	(39,360)
Total tax charge	<u>198,647</u>	<u>174,305</u>

Heatseam Limited (Registered number: 03220392)

**Notes to the Financial Statements - continued
for the year ended 31st March 2018**

8. **TANGIBLE FIXED ASSETS**

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST				
At 1st April 2017	280,762	478,600	397,204	1,156,566
Additions	2,760	-	91,592	94,352
Disposals	-	-	(48,100)	(48,100)
At 31st March 2018	<u>283,522</u>	<u>478,600</u>	<u>440,696</u>	<u>1,202,818</u>
DEPRECIATION				
At 1st April 2017	123,089	220,580	109,866	453,535
Charge for year	23,985	38,703	84,259	146,947
Eliminated on disposal	-	-	(25,467)	(25,467)
At 31st March 2018	<u>147,074</u>	<u>259,283</u>	<u>168,658</u>	<u>575,015</u>
NET BOOK VALUE				
At 31st March 2018	<u>136,448</u>	<u>219,317</u>	<u>272,038</u>	<u>627,803</u>
At 31st March 2017	<u>157,673</u>	<u>258,020</u>	<u>287,338</u>	<u>703,031</u>

Included within the total net book value of tangible fixed assets is £222,736 (2017: £276,822) in respect of assets held under finance leases and similar hire purchase contracts.

9. **STOCKS**

	2018	2017
	£	£
Stocks	<u>3,749,771</u>	<u>2,988,950</u>

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade debtors	1,740,154	1,448,167
Amounts owed by associates	362,065	326,266
Other debtors	11,463	79,235
Directors' current accounts	67,574	-
Prepayments and accrued income	8,333	82,937
	<u>2,189,589</u>	<u>1,936,605</u>

Heatseam Limited (Registered number: 03220392)

**Notes to the Financial Statements - continued
for the year ended 31st March 2018**

11.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018	2017
		£	£
	Bank loans and overdrafts (see note 13)	281,804	266,853
	Hire purchase contracts (see note 14)	121,153	118,929
	Trade creditors	2,030,665	1,995,565
	Taxation	206,547	213,665
	Social security and other taxes	469,207	470,350
	Other creditors	211,331	150,068
	Directors' current accounts	-	198,185
	Accruals and deferred income	92,649	70,229
		<u>3,413,356</u>	<u>3,483,844</u>
12.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2018	2017
		£	£
	Bank loans (see note 13)	19,746	117,611
	Hire purchase contracts (see note 14)	41,730	126,082
		<u>61,476</u>	<u>243,693</u>
13.	LOANS		
	An analysis of the maturity of loans is given below:		
		2018	2017
		£	£
	Amounts falling due within one year or on demand:		
	Bank overdrafts	183,939	168,988
	Bank loans	97,865	97,865
		<u>281,804</u>	<u>266,853</u>
	Amounts falling due between two and five years:		
	Bank loans - 2-5 years	19,746	117,611
14.	LEASING AGREEMENTS		
	Minimum lease payments fall due as follows:		
		Hire purchase contracts	
		2018	2017
		£	£
	Net obligations repayable:		
	Within one year	121,153	118,929
	Between one and five years	41,730	126,082
		<u>162,883</u>	<u>245,011</u>

Heatseam Limited (Registered number: 03220392)

**Notes to the Financial Statements - continued
for the year ended 31st March 2018**

14. **LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	9,141	9,141
Between one and five years	<u>12,950</u>	<u>22,092</u>
	<u>22,091</u>	<u>31,233</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	183,939	168,988
Bank loans	117,611	215,476
Hire purchase contracts	<u>162,883</u>	<u>245,011</u>
	<u>464,433</u>	<u>629,475</u>

The company's debt is secured by a fixed and floating charge over the assets of the company.

16. **PROVISIONS FOR LIABILITIES**

	2018	2017
	£	£
Deferred taxation	<u>100,673</u>	<u>108,573</u>
		Deferred tax
		£
Balance at 1st April 2017		108,573
Provided during year		<u>(7,900)</u>
Balance at 31st March 2018		<u>100,673</u>

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
2	Ordinary Share	1	<u>2</u>	<u>2</u>

Heatseam Ltd

**Detailed trading profit and loss account
and expenses schedule
for the period 1 April to 30 September 2018**

	Period ended 30/09/18	
	£	£
Sales		10,438,035
Opening stock	3,749,771	
Purchases	7,790,155	
	11,539,926	
Closing stock	(3,749,965)	
		(7,789,961)
Gross profit	24.45%	2,648,074
Wages and salaries	580,304	
Directors' remuneration	46,320	
Employer's NI contributions	51,463	
Staff pension	36,400	
Commissions payable	177,640	
Rent, rates and water	165,101	
Insurance	51,228	
Light and heat	15,665	
Cleaning and waste disposal	5,907	
Repairs and maintenance	32,302	
Printing, postage, stationery and advertising	9,869	
Telephone, fax and internet services	12,245	
Computer costs	10,507	
Hire of equipment	27,337	
Motor vehicle leasing	40,574	
Motor and travelling expenses	16,687	
Carriage and freight	424,782	
Book keeping and accountancy	9,300	
Bank charges	23,573	
General expenses	5,817	
Depreciation on plant and machinery	10,415	
Depreciation on fixtures & equipment	16,448	
Depreciation on motor vehicles	67,218	
Loss on disposal of motor vehicles	6,209	
		1,843,311
Operating profit		804,763

Heatseam Ltd

**Detailed trading profit and loss account
and expenses schedule
for the period 1 April to 30 September 2018**

	Period ended 30/09/18	
	£	£
Interest receivable		
Bank deposit interest	16	
		16
Interest payable		
Bank interest	7,982	
Hire purchase interest	8,636	
		(16,618)
Net profit for the period		<u>788,161</u>

Heatseam Ltd
 Balance sheet
 as at 30 September 2018

	30/09/18	
	£	£
Fixed assets		
Tangible assets		1,065,128
Current assets		
Stock	3,749,965	
Debtors	2,768,711	
Cash at bank and in hand	187,895	
	6,706,571	
Creditors: amounts falling due within one year	(3,829,441)	
Net current assets		2,877,130
Total assets less current liabilities		3,942,258
Provisions for liabilities		(100,673)
Net assets		3,841,585
Capital and reserves		
Called up share capital		2
Profit and loss account		3,841,583
Shareholders' funds		3,841,585

PART IV B

HISTORICAL FINANCIAL INFORMATION – LEWIS ABBOTT LIMITED (2017)

Registered number
00401327

Lewis Abbott Limited
Unaudited Accounts
for the year ended
31 December 2017

Lewis Abbott Limited
Balance Sheet
as at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	2	861	15,868
		861	15,868
Current assets			
Stocks		642,295	629,954
Debtors		224,860	287,196
Cash at bank and in hand		155,801	73,959
		1,022,956	991,109
Prepayments and accrued income:		18,151	22,987
Creditors: amounts falling due within one year		(61,081)	(84,553)
Net current assets / (liabilities)		980,026	929,543
Total assets less current liabilities		980,887	945,411
Creditors: amounts falling due after more than one year		(412,933)	(420,263)
Provisions for liabilities		(77,853)	(75,860)
Accruals and deferred income		(9,000)	(11,999)
Total net assets (liabilities)		481,101	437,289
Capital and reserves			
Called up share capital		60,000	60,000
Profit and loss account		421,101	377,269
Shareholders' funds		481,101	437,269

Lewis Abbott Limited
Balance Sheet
as at 31 December 2017

These accounts have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The directors have not delivered a copy of the company's Profit and Loss account as permitted by s444(5A) of the Companies Act 2006.

For the year ending 31 December 2017 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Signed on behalf of the board of directors

.....

Mr P Cohen
Director

Approved by the board on 14 August 2018

Company Number: 00401327 (a Private Company Limited by Shares registered in England and Wales)

Registered Office:

Unit 16,
Kent Park Industrial Estate,
Ruby Street, Peckham,
London.
SE15 1LR

1. Accounting policies

Basis of preparation of financial statements

These financial statements have been prepared under the historic cost convention in accordance with the accounting policies set out below and with section 1A of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006. The presentation currency is sterling.

2. Tangible fixed assets

	Fixtures & fittings	Plant & machinery	Vehicles	Computer equipment	Total
Cost or valuation	£	£	£	£	£
At 1 January 2017	43,994	25,022	75,331	20,951	165,298
At 31 December 2017	43,994	25,022	75,331	20,951	165,298
Depreciation					
At 1 January 2017	43,133	25,022	60,324	20,951	149,430
Charge for the period	0	0	15,007	0	15,007
At 31 December 2017	43,133	25,022	75,331	20,951	164,437
Net book value					
At 31 December 2017	861	0	0	0	861
At 31 December 2016	861	0	15,007	0	15,868

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

PART V
ADDITIONAL INFORMATION

1. INCORPORATION AND GENERAL

- 1.1 The Company was incorporated in England on 28 March 2012 under the Act as a private company limited by shares under the name of Foot Fall Distribution Limited with registered number 08010067. On 6 March 2018 the Company changed its name to William Armes Group Limited. On 25 July 2018 the Company changed its name to Likewise Group Limited. On 17 December 2018 the Company re-registered as a public company limited by shares under the Act and changed its name to Likewise Group PLC.
- 1.2 The entire Existing Share Capital of the Company was admitted to trading on the Official List on 11 January 2019.
- 1.3 The Company's registered office and its principal place of business is at Church Field Road, Sudbury, Suffolk, England C010 2YA. The statutory books of the Company are kept at this address. The telephone number at the Company's principal place of business is +44 (0) 1787 372 988.
- 1.4 The Directors are listed on page 6 of this Document. The secretary of the Company is Roy Povey. The business address of each of the Directors and the secretary is Church Field Road, Sudbury, Suffolk, England C010 2YA.
- 1.5 The Directors acknowledge the importance of the principles set out in the QCA Corporate Governance Code. Whilst there is no regulatory requirement for the Company to comply with the QCA Corporate Governance Code, the Directors intend to apply the QCA Corporate Governance Code, as far as they consider appropriate for a company of the Company's size and nature.
- 1.6 On 9 January 2018 the Company acquired the entire issued share capital of William Armes Holdings Limited (**William Armes**) from Janet Bosman and others. The William Armes Group carries on the business of importing, storing and distributing matting and flooring products. The consideration was paid on completion. William Armes Holdings has a subsidiary, William Armes Limited. Further information can be found at www.william-ames.co.uk.
- 1.7 On 28 September 2018 Likewise Trading Limited, a subsidiary of the Company, acquired the business and certain assets and liabilities of Bruce Starke. Under the asset purchase agreement (**APA**) the Company is the guarantor in relation to Likewise Trading Limited's obligations under the APA. The business acquired under the APA is the business of selling mats and matting. Part of the consideration due to Bruce Starke under the APA is outstanding as part deferred consideration and part consideration to be adjusted in accordance with completion accounts. The outstanding consideration due under the APA is approximately £365,127 (subject to adjustment). Further information can be found at www.bruce-starke.com.
- 1.8 On 31 January 2019 Likewise Trading Limited, a subsidiary of the Company, acquired the entire issued share capital of Lewis Abbott Limited, being 60,000 ordinary shares of £1 each, from Sally Patricia Cohen, Paul Anthony Cohen, Katherine Susannah Cohen and Benjamin James Cohen. £0.2m of the consideration is due to be paid to the sellers on 31 January 2020 in cash. Further information can be found at www.lewisabbott.co.uk.
- 1.9 It is proposed that on the date of Completion the Company will acquire the entire issued share capital of Heatseam Limited, being 2 ordinary shares of £1 each, including Heatseam Limited's wholly owned subsidiary Factory Flooring Outlet Limited from Glen Andrew Toomes. The consideration for the Acquisition will be £8.0m in cash, £0.5m of which is deferred for 12 months, and the issue of 2.0m Consideration Shares. On the second anniversary of the date of Completion, to the extent that the market value of the Consideration Shares is less than £2.0m, the Company will satisfy any such shortfall either in cash or with the issue of further Shares (at the election of the Seller).

1.10 The Company holds the entire issued share capital of the following:

- Likewise Trading Limited (company number 11457284) (being 100 ordinary shares of £1 each);
- William Armes Holdings Limited (company number 06967132) (being 182,800 ordinary shares of £1 each) (William Armes Holdings Limited holds the entire issued share capital, being 182,800 ordinary shares of £1 each, of William Armes Limited (company number 00088075)); and
- Lewis Abbott Limited (company number 00401327) (being 60,000 ordinary shares of £1 each).

1.11 At the time of Admission and following Completion the Company will hold the entire issued share capital of Heatseam Limited (company number 03220392) (being 2 ordinary shares of £1 each) (Heatseam Limited holds the entire issued share capital of Factory Flooring Outlet Ltd (company number 11189053) (being 100 ordinary shares of £1 each)).

2. SHARE CAPITAL

2.1 Set out below are details of the issued and credited as fully paid share capital of the Company (i) as at the date of this Document and (ii) as it will be immediately on Admission:

<i>Class of Share</i>	<i>As at the date of this Document</i>		<i>Class of Share</i>	<i>On Admission</i>	
	<i>Number</i>	<i>Nominal Value</i>		<i>Number</i>	<i>Nominal Value</i>
Shares	120,000,000	£1,200,000	Shares	152,000,000	£1,520,000

2.2 On 17 December 2018, the Shareholders of the Company passed resolutions to subdivide the entire issued share capital of the Company, being 100 ordinary shares of £1 each, into 10,000 Shares and to allot and issue an additional 49,990,000 Shares, fully paid up with an aggregate premium being paid of £200,100 bringing the aggregate issued share capital of the Company to 50,000,000 Shares with an aggregate nominal value of £500,000.

2.3 On 9 January 2019, the Shareholders of the Company passed resolutions to allot 70,000,000 Shares fully paid up with an aggregate premium being paid of £6,300,000, such Shares being issued on First Admission bringing the aggregate issued share capital of the Company to 120,000,000 Shares with an aggregate nominal value of £1,200,000.

2.4 At the General Meeting to be held on 16 April 2019, the Directors are seeking authority to allot Shares as follows:

- the Directors are to be authorised pursuant to section 551 of the Act to exercise all and any powers of the Company to allot up to 40,000,000 New Shares pursuant only to the Placing and the Introduction and the Consideration Shares pursuant only to the Acquisition. The authority expires on Completion and Admission becoming effective;
- the Directors are to be generally and unconditionally authorised pursuant to section 551 of the Act to exercise all and any powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into shares of the Company up to a maximum nominal amount of £810,000 being approximately 50 per cent. of the issued share capital of the Company upon Admission. The authority expires (unless previously renewed, varied, or revoked by the Company in general meeting) at the earlier of the conclusion of the annual general meeting of the Company next following the passing of the resolution and 15 months from the date of the resolution. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require relevant securities to be allotted after expiry of the authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expired; and
- the Directors are to be given power pursuant to section 570 of the Act (with such power expiring at the same time as the relevant authority granted pursuant to section 551 of the Act at the General Meeting to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the relevant authority as if section 561 of the Act did not apply to any such allotment save that the power was limited to:
 - the allotment of the New Shares, the Consideration Shares;

- the allotment of equity securities pursuant to a rights issue or similar offer to shareholders of the Company where the interests of all shareholders of the Company were proportionate or as nearly as practical to the numbers of Shares held by them;
 - the allotment for cash of equity securities up to an aggregate nominal amount of £81,000, being approximately 5 per cent. of the issued share capital of the Company upon Admission; and
 - the allotment for cash of equity securities by way of a financing of a transaction deemed by the Directors to be an acquisition or other capital investment, up to an aggregate nominal amount of £81,000 being approximately 5 per cent. of the issued share capital of the Company upon Admission.
- 2.5 The Placing and the Introduction will result in the issue of a total of 30,000,000 New Shares on Admission.
- 2.6 On completion of the Placing, the Introduction and the Acquisition, the issued share capital of the Company will be increased by 26.7 per cent. being an immediate dilution of approximately 21 per cent., assuming none of the holders of Existing Shares participates in the Placing and Introduction.
- 2.7 The Company has granted Share Options to certain of its Directors and employees under the Share Option Plans. Details of the Share Option Plans are set out at paragraph 9 of Part V. Under the EMI Scheme Rules the company granted Management Options over 5,315,000 Shares shortly after First Admission. On 13 March 2019, the Company granted further Management Options over 675,000 Shares. The Company currently intends to grant Management Options over a further 150,000 Shares shortly after Admission. Under the SAYE Scheme Rules the Company granted options over 4,929,000 Shares shortly after First Admission. The Company intends to grant further options under the SAYE Scheme Rules in the months following Admission.
- 2.8 Save for the allotments referred to in this paragraph 2 above, in the last three financial years ended on 31 December 2017, no capital of the Company has been allotted for cash or for a consideration other than cash.
- 2.9 Save for the issue of the New Shares, the Consideration Shares and the Additional Consideration Shares (if any), the potential issue of Shares to satisfy the options disclosed at paragraph 2.7 above or any other option granted pursuant to the Share Option Plans, no capital of the Company nor any capital of any company in the Enlarged Group is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.
- 2.10 The Enlarged Share Capital will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.
- 2.11 The Shares are in registered form and capable of being held in certificated and uncertificated form. None of the Shares are being marketed or made available in whole or in part to the public in conjunction with the application for Admission.
- 2.12 The Shares to be issued pursuant to the Placing, Introduction and Acquisition are being issued at a price of £0.25 per share, representing a premium of £0.24 over the nominal value of £0.01 each. The expected issue date is 18 April 2019.
- 2.13 The currency of the shares are pounds sterling.
- 2.14 None of the Shares are currently held in treasury.
- 2.15 Details in relation to dividends paid on the Shares in the last three years are not available.
- 2.16 There are no outstanding debt securities of the Company.

3. ARTICLES OF ASSOCIATION

On 9 January 2019 the Company by means of a special resolution adopted new articles of association which contain (amongst others) provisions to the following effect.

3.1 Objects

The articles of association of the Company contain no restrictions on the activities of the Company.

3.2 Voting rights

Subject to any rights or restrictions attached to any class of shares, from time to time on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative and is entitled to have a vote shall upon a show of hands have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder.

3.3 Major Shareholders

Nothing in the Articles confers on major shareholders in the Company any voting rights which are different to those conferred on the holders of Shares as described in paragraph 3.2 above.

Pursuant to Rule 5.1 of the Disclosure Guidance and Transparency Rules, holders of three per cent. or more of the nominal value of the Company's share capital are required to notify their holdings in writing to the Company. To the extent that persons who already hold at least three per cent. or more of the nominal value of the Company's share capital increase or decrease their holding, Rule 5.1 of the Disclosure Guidance and Transparency Rules requires that this is also notified to the Company by the shareholder.

3.4 General meetings

An annual general meeting shall be held every year, within six months of the previous accounting period end.

Subject to a member's right to requisition a general meeting pursuant to section 303 of the Act, general meetings of the Company are convened at the discretion of the board.

An annual general meeting at which it is proposed to pass a special resolution or (except as provided by statute) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' notice in writing. All general meetings shall be called by at least 14 clear days' notice to the Company regardless of the type of resolution being passed (under section 307(1) of the Act). A notice must be served on a member in accordance with the provisions of the Act, that is, in hard copy form, or where the member has consented or is deemed to have consented under the Act, in electronic form or via a website. If the notice contains an electronic address for the Company, a member may send any document or information relating to the relevant general meeting to that electronic address. Notice shall be given to all members and the directors and the auditors.

A notice sent to a member by electronic communication shall be deemed to be served on the day it was sent. A notice sent by post to an address in the United Kingdom shall be deemed served one day after (or two days after if sent by second class mail) the date of posting.

3.5 Alteration of share capital

The Company may, from time to time, by ordinary resolution increase its share capital, by the creation of new shares such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital. The Company may by ordinary resolution consolidate and divide its shares, or any of them, into shares of a larger amount. The Company may by ordinary resolution divide all or any of its share capital into shares of a larger amount, sub-divide all or any of its

shares into shares of a smaller amount and cancel any shares not taken or agreed to be taken by any person.

The Company may, by ordinary resolution, cancel any shares which at the date of the passing of the resolution have not been taken (or are subject to agreement to take) and diminish the amount of its share capital by the nominal amount of the shares so cancelled. The Company may, from time to time, by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised, and with and subject to any incident prescribed or allowed by the Act and the rights attached to existing shares. In accordance with the provisions of Act, the Company may purchase its own shares (including redeemable shares).

3.6 **Variation of rights**

Subject to the Act and every other statute for the time being in force concerning companies and affecting the Company (the **Statutes**), if at any time the capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to any class of share may be varied or abrogated either:

- in such a manner (if any) as may be provided by the rights attaching to such class; or
- in the absence of any such provision, with the consent in writing of the holders of at least 75 per cent. of the nominal amount of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. At any such separate meeting at least two members present in person or by proxy holding or representing at least one third of the issued shares of the class in question shall be a quorum.

The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not (unless otherwise expressly provided by the Articles or the rights attached to such last-mentioned shares as a class) be deemed to be a variation of the rights of such shares. A reduction of the capital paid up on any shares of any class will not be deemed to constitute a variation or abrogation of the rights attached to those shares. A purchase or redemption by the Company of any of its own shares in accordance with the provisions of the Statutes and of the Articles shall not be deemed to be a variation of the rights attaching to any shares.

3.7 **Redemption**

The Company may, by special resolution and subject to the Statutes, create shares which are liable to be redeemed. As at the date of this document, there are no shares in issue which are capable of being redeemed by the Company.

3.8 **Conversion**

The Company may from time to time, by ordinary resolution and subject to the Statutes, convert all or any of its fully-paid shares into stock of the same class and denomination and may from time to time in like manner reconvert such stock into fully paid up shares of the same class and denomination.

3.9 **Distribution of assets on a winding up**

In the event of liquidation of the Company the holders of shares are entitled *pari passu* to any surplus dividends. A liquidator may, with the sanction of a special resolution, divide the assets among the members in specie.

3.10 **Transfer of shares**

The Shares are in registered form and may be in certificated or uncertificated form. Shares in uncertificated form may be transferred otherwise than by written instrument in accordance with the Statutes and relevant subordinate legislation and the Company shall register any such transfer in accordance with the Statutes.

Transfers of shares in certificated form may be effected by instrument in writing in any usual or common form or in any other form approved by the Directors. Any instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Company's register of members.

The Directors may, in their absolute discretion (but subject to any laws, rules or regulations applicable to the Company from time to time) and without assigning any reason therefore, refuse to register the transfer of a share which is in respect of a share which is not fully paid, or which is in favour of more than four transferees or which is in respect of more than one class of shares or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and/or such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

3.11 Dividends and other distributions

Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends to be paid to the members according to their respective rights and interests in the profits of the Company, but not exceeding the amount recommended by the directors.

No dividends or moneys payable by the Company in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

The directors may (subject to the Statutes) pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.

Except as otherwise provided by the Articles or the rights attached to any shares issued by the Company, the holders of shares are entitled *pari passu* amongst themselves to share in the whole of the profits of the Company paid out as dividends and the whole of any surplus in the event of liquidation of the Company.

A liquidator may, with the sanction of an ordinary resolution, divide the assets among the members in specie. The directors shall give effect to any such resolution provided that no such distribution shall be made unless recommended by the directors.

The directors may, with the sanction of an ordinary resolution, offer the shareholders or any class of them (other than those not entitled to the relevant dividend or dividends) the right to elect to receive new Shares, credited as fully paid, instead of cash in respect of the whole or part of any dividend or dividends which are the subject of the ordinary resolution.

All unclaimed dividends, interest or other sums payable on or in respect of a share may, be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend which is unclaimed for a period of 12 years from the date on which the dividend became due for payment shall be forfeited and cease to remain owing by the Company.

3.12 Borrowing powers

Subject to the provisions of the Act and as provided in the Articles, the directors may exercise all the powers of the Company to borrow or raise money, to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue bonds, debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party, in each case on such terms as they may in their absolute discretion think proper.

The directors shall restrict the borrowings of the Company and the borrowings of any of its subsidiary undertakings and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount for the time being outstanding

(after adjustments provided for in the Articles) at any one time owing by the Company in respect of monies borrowed, exclusive of moneys borrowed by the Company or any of its subsidiary undertakings from any other of such companies, as determined in accordance with the Articles, shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to an amount equal to 2 times the aggregate of:

- the amount paid up on the Company's issued share capital; and
- the total amount standing to the credit of the consolidated reserves of the Company whether distributable or undistributable and including (without limitation) share premium account, capital redemption reserve and profit and loss account

as shown in a consolidation of the latest audited balance sheets of the Company but adjusted as may be necessary to take account of such deductions as are specified in the Articles.

3.13 Constitution of board of Directors

The minimum number of directors shall not be less than two and unless and until otherwise determined by the Company in general meeting shall be subject to a maximum of 8. No shareholder qualification is required of any director. The Company may by ordinary resolution appoint any person who is willing to act to be a Director. Directors can be removed before the expiry of their period of office by resolution of a majority of the Directors (other than the Director in question) with the chairman having the casting vote on such resolution either on notice or upon bankruptcy or incapacity of the Director in question. The Company may by ordinary resolution remove any Director before the expiry of their period of office and the vacancy created by such removal may be filled as a casual vacancy in accordance with the Act.

3.14 Retirement of Directors by rotation

At every annual general meeting, any Director appointed by the Directors since the last annual general meeting and any Director who was not appointed or reappointed at one of the previous two annual general meetings shall retire and offer themselves for reappointment by the members.

3.15 Remuneration of Directors

The fees to be paid to the Directors shall be determined by the Remuneration Committee of the Company from time to time. Such fees shall be divided among such directors in such proportion or manner as may be determined by the Directors and, in default of determination, equally. A fee payable to a director pursuant to the Articles is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles and accrues from day to day.

Each director may also be paid all reasonable travelling, hotel and other expenses properly incurred by him in respect of or about the performance of his duties as Director including any expenses incurred in connection with his attendance at meetings of the Directors or committees of the directors of the Company or otherwise in the discharge of his duties as a Director.

Any Director who holds any executive office or who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the directors, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, lump sum, participation in profits or otherwise as the directors determine.

3.16 Permitted interests of Directors

Subject to the provisions of the Statutes, a Director is not disqualified from his office by entering into any contract, arrangement, transaction or proposal with the Company in any manner, nor is any contract, arrangement, transaction or proposal in which he is interested or in which he has entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, liable to be avoided, and any director who enters into any such contract, arrangement, transaction or proposal or is so interested is not liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of the Director holding that office or of the fiduciary relationship thereby established but the nature and extent of his interest shall be disclosed by him in accordance with the provisions of the Statutes.

A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director and may act by himself or through his firm in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the directors may determine. A Director may also hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him from that company.

3.17 **Restrictions on voting by Directors**

Save as provided below, a Director shall not vote on or in respect of any contract, arrangement, transaction or any other proposal in which he (together with any person connected with him) has a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested (including, without limitation, fixing or varying the terms of his appointment or the termination or extension thereof).

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he 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;
- any proposal, contract, arrangement or transaction concerning a placing of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which placing he is or is to be interested as a holder of securities or as a participant in the undertaking or sub-underwriting thereof;
- any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and where as an officer or member or otherwise howsoever provided that he (together with any person connected (within the meaning of section 252 of the Act) with him) is not the holder of or interested in shares representing one per cent. or more of any class of the equity share capital or voting rights;
- any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a pension, superannuation or similar fund or scheme, a retirement, death or disability benefits fund or scheme or an employees' share scheme which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs for taxation purposes or does not accord to any Director as such any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- any proposal concerning for the grant, purchase and/or maintenance of insurance against any liability of any Directors.

3.18 **Purchase of own shares**

The Company is entitled to purchase its own shares in accordance with the Act which requires the Company to produce either a solvency statement to ensure that it will continue to be able to meet its debts after the purchase or alternatively requires a company to apply to court.

3.19 **Untraceable shareholders**

The Company is entitled to sell in such manner as the Directors may decide and at the best price it considers to be reasonably obtainable at that time, any share of a member, or any share to which a person is entitled by transmission if the member cannot be traced after 12 years.

3.20 The Company has a first and paramount lien on every Share which is not fully paid, for all amounts payable in respect of that share. If payment is not made within 14 days of notice the Company may sell the shares under lien.

3.21 The Company can issue partly paid shares.

3.22 **Squeeze-out rules, sell-out rules and takeover bids**

Squeeze-out

Under the Act, if an offeror makes a takeover offer for the Company and successfully acquired (or unconditionally contracted to acquire) 90 per cent. in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights carried by those shares, it could then compulsorily acquire the remaining shares. It would do so by sending a notice to outstanding shareholders, within three months of the last day of which the offer can be accepted, telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

Sell-out

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

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 his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

There have been no public takeover bids by third parties in respect of the Company's equity in the current financial year or the previous financial year.

The above is a summary of certain provisions of the Articles, the full provisions of which are available on the Company's website.

4. MAJOR SHAREHOLDERS

- 4.1 Save as disclosed in paragraph 5 below, and as set out below in this paragraph 4, the Company is not aware of any person who, at the date of this Document and immediately following Admission, is directly or indirectly interested in 3 per cent. or more of the issued share capital or voting rights of the Company:

<i>Shareholder</i>	<i>At the date of the Draft Listing Document</i>			<i>On Admission</i>	
	<i>Number of Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>Number of New Shares</i>	<i>Number of Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Andrew Woodhouse	5,500,000	4.6	340,000	5,840,000	3.8
Keith Yates	6,375,000	5.3	–	6,375,000	4.2
Paul Wiseman	5,250,000	4.4	800,000	6,050,000	4.0
Stuart Large	4,075,000	3.4	–	4,075,000	2.7
Adrian Laffey	5,642,500	4.7	800,000	6,442,500	4.2
James Kellett	3,750,000	3.1	1,000,000	4,750,000	3.1
Martin West	4,500,000	3.8	50,000	4,550,000	3.0
Jane Powell	4,500,000	3.8	800,000	5,300,000	3.5
Sally Stride	4,500,000	3.8	160,000	4,660,000	3.1

- 4.2 None of the Company's major holders of Shares listed above or at paragraph 5.1 below has voting rights different from the other holders of Shares.
- 4.3 Save as disclosed in this paragraph 4, and insofar as is known to the Company, the Directors are not aware of any person or persons who either alone or, if connected jointly following Admission, will (directly or indirectly) exercise or could exercise control over the Company.
- 4.4 Save as far as is known to the Directors, no arrangements are in place, the operation of which may at a later date result in a change of control of the Company.

5. DIRECTORS' INTERESTS

The names of the Directors of the Company are set out at the "Directors, Secretary, Registered Office and Advisers" section on page 6 of this Document.

- 5.1 As at the date of this Document and immediately following Admission, the interests of the Directors and the Associates (having the meaning defined in the TISEA Listing Rules) of each Director (as known to each Director having made all reasonable enquiries) insofar as is known to the Company in the equity or debt securities of the Company or the Group are, and on Admission, will be, as follows:

<i>Director</i>	<i>At the date of the Draft Listing Document</i>			<i>On Admission</i>	
	<i>Number of Existing Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>Number of New Shares</i>	<i>Number of Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Anthony John Brewer ⁽¹⁾	26,532,500	22.1	2,400,000	28,932,500	19.0
Andrew James William Simpson	18,325,000	15.3	675,000	19,000,000	12.5
Paramjit Paul Singh Bassi	2,000,000	1.7	400,000	2,400,000	1.6
Roy Povey	500,000	0.4	400,000	900,000	0.6

(1) Anthony John Brewer is the Trustee of the Brewer Settlement Trust who holds the beneficial interest of part of the Shares.

- 5.2 Save as disclosed in this paragraph 5, no Director has any interest in the share capital or loan capital of the Company nor does any person connected with the Directors (within the meaning of section 252 of the Act) have any such interests, whether beneficial or non-beneficial.
- 5.3 The following options over Shares have been granted to the Directors and senior management identified in the table below pursuant to the Management Options. Further details of the Management

Options are included at paragraph 9.2 of Part V. Each has an exercise price per Share equal to the market value of a Share at the date of grant of the option being £0.10 per Share (the **Grant MV**). The Grant MV was determined in accordance with the EMI Scheme Rules as the mid-market closing price of a Share on the previous dealing day.

<i>Name</i>	<i>Number of Shares under Management options</i>	<i>Exercise Price per share</i>	<i>Performance Conditions</i>
Anthony John Brewer	1,200,000	£0.10	See paragraph 9.2 of Part V for details
Roy Povey	900,000	£0.10	See paragraph 9.2 of Part V for details
Senior management	3,215,000	£0.10	See paragraph 9.2 of Part V for details
Other Key Personnel	675,000	£0.23	See paragraph 9.2 of Part V for details

- 5.4 The Directors are also entitled to participate in the SAYE Scheme (subject to meeting the eligibility criteria as set out in the scheme rules). Further details of the terms of the SAYE Scheme are included at paragraph 9.1 of Part V. The following options over Shares have been granted under the SAYE Scheme to Directors shortly after the First Admission:

<i>Name</i>	<i>Number of Shares under SAYE Options</i>	<i>Exercise price per Share</i>
Anthony John Brewer	300,000	£0.10
Roy Povey	300,000	£0.10
Senior Management	900,000	£0.10
Other employees	3,429,000	£0.10

The SAYE options are not subject to performance conditions. The exercise price was determined in accordance with the terms in the SAYE Scheme Rules.

- 5.5 There are no outstanding loans granted by any member of the Enlarged Group to the Directors or any guarantees provided by any member of the Enlarged Group for the benefit of the Directors.
- 5.6 In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.
- 5.7 There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Directors were selected as member(s) of the Board.
- 5.8 Roy Povey was a director of MKD Holdings Limited, a subsidiary of HomeForm Group Limited, when it entered administration on 5 April 2007. The company was dissolved on 10 January 2009.
- 5.9 Save as disclosed in this paragraph 5, no Director has:
- any unspent convictions in relation to any fraudulent offences;
 - been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director;
 - been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors;
 - been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;

- had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- been disqualified by a court from acting as a Director of a company or from acting in the management or conduct of the affairs of any company.

5.10 No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Enlarged Group and which was effected by any member of the Enlarged Group during the current or immediately preceding financial year or which was effected by any member of the Enlarged Group during any earlier financial year and remains in any respect outstanding or unperformed.

5.11 None of the Directors nor any member of a Director's family is interested in any related financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Shares, including a contract for differences or a fixed odds bet.

6. DIRECTORS' TERMS OF APPOINTMENT

6.1 The Company has entered into the following agreements and letters of appointment.

- Anthony John Brewer entered into a service agreement with the Company on 9 January 2019 appointing him as Chief Executive Officer of the Company with effect from First Admission. The service agreement is subject to termination upon not less than 12 months' notice by either party and the Company reserves the right to pay money in lieu of notice. The agreement provides for an annual salary of £14,000, a private medical insurance for Anthony John Brewer and his spouse and dependent children. The agreement also includes typical provisions which apply on termination, including the right to require him to work his notice period on garden leave, to resign as a Director on termination of his employment and restrictions applicable following the termination of his employment, including restrictions against working for a competitive business, soliciting clients and customers and soliciting senior employees to leave the business in each case for a period of 12 months following the termination of his employment.
- Roy Povey entered into a service agreement with the Company on 9 January 2019 appointing him as Chief Financial Officer of the Company with effect from First Admission. The service agreement is subject to termination upon not less than 12 months' notice by either party and the Company reserves the right to pay money in lieu of notice. The agreement provides for an annual salary of £160,000, a car allowance, private medical insurance for Roy Povey and his spouse and dependent children. The agreement also includes typical provisions which apply on termination, including the right to require him to work his notice period on garden leave, to resign as a Director on termination of his employment and restrictions applicable following the termination of his employment, including restrictions against working for a competitive business, soliciting clients and customers and soliciting senior employees to leave the business in each case for a period of 12 months following the termination of his employment.
- The services of Andrew Simpson as a non-executive Director are provided under the terms of a letter of appointment between the Company and Andrew Simpson dated 9 January 2019 for an initial period of three years subject to termination upon at least one month's notice, at an initial fee of £14,000 per annum.
- The services of Paul Bassi as a non-executive Director and Chairman are provided under the terms of a letter of appointment between the Company and Paul Bassi dated 9 January 2019 for an initial period of three years ending at the conclusion of the Company's annual general meeting subject to termination upon at least one month's notice, at an initial fee of £14,000 per annum.

6.2 Save as set out in paragraph 6.1 above, there are no service agreements in existence between any of the Directors and the Company which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

6.3 The Directors receive no Shares or options over Shares in lieu of remuneration or as any form of compensation.

6.4 Other than as disclosed in this paragraph 6, no member of the Company is party to any service contract with any of the Company's directors which provides for benefits on the termination of any such contract.

- 6.5 No Director has any accrued pension or retirement benefits.
- 6.6 Each of Paul Bassi and Andrew Simpson have waived their entitlement to receive £14,000 each in fees under their respective letters of appointment for the current financial year ending 31 December 2019. Other than detailed in this paragraph 6.6 there is no arrangement under which any Director has waived or agreed to waive future emoluments.
- 6.7 The aggregate amount of remuneration (including any contingent or deferred compensation) payable and benefits in kind granted to Directors was £78,750 for the financial year ended 31 December 2018 and is estimated to be £202,000 for the Directors in the current financial period ending 31 December 2019 under the arrangements in force at the date of this Document.

7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Enlarged Group during the two years preceding the date of this Document and are or may be material or have been entered into by any member of the Enlarged Group and contain any provision under which any member of the Enlarged Group has any obligation or entitlement which is material to the Enlarged Group at the date of this Document.

- 7.1 Pursuant to the lock-in agreements entered into on 9 January 2019 each of the Directors undertook that for a period of 12 months from First Admission they will not, save in certain limited circumstances, dispose of any of the Shares in which they are interested at First Admission and any subsequently acquired except with the permission of the Company and Zeus Capital and that for a further 12 months they will comply with certain requirements designed to maintain an orderly market in the Shares.
- 7.2 Pursuant to a share purchase agreement dated 9 January 2018 the Company acquired the entire issued share capital of William Armes Holdings Limited for a total consideration of £1,700,000, all of which was paid on completion. The usual warranties and indemnities were given in favour of the Company.
- 7.3 Pursuant to an asset purchase agreement dated 28 September 2018 Likewise Trading Limited acquired the business and assets of Bruce Starke & Co Limited for a total consideration of approximately £1.5m (subject to adjustment) of which £365,127 is outstanding. The usual warranties and indemnities were given in favour of Likewise Trading Limited.
- 7.4 The Company and Zeus Capital entered into a warrant agreement dated 9 January 2019 pursuant to which the Company granted Zeus Capital warrants to subscribe for 1,800,000 Shares at the Issue Price, exercisable at any time in the period commencing on the second anniversary of First Admission and ending on the tenth anniversary of First Admission. The warrants are not capable of exercise prior to the second anniversary of First Admission, save in certain limited circumstances relating to a winding up, takeover, or scheme of arrangement of the Company.
- 7.5 On 31 January 2019 Likewise Trading Limited entered into a share purchase agreement with Sally Patricia Cohen, Paul Anthony Cohen, Katherine Susannah Cohen and Benjamin James Cohen and purchased the entire issued share capital of Lewis Abbott Limited, being 60,000 ordinary shares of £1 each. £0.2m of the consideration is due to be paid to the sellers on 31 January 2020.
- 7.6 the Placing Agreement, details of which are contained in paragraph 10 of this Part V.
- 7.7 It is proposed that on the date of Completion pursuant to the Acquisition Agreement the Company will acquire the entire issued share capital of Heatseam, being 2 ordinary shares of £1 each, including Heatseam's wholly owned subsidiary Factory Flooring Outlet Limited from the Seller (the **Acquisition**). The consideration for the Acquisition will be £8.0m in cash, £0.5m of which is deferred for 12 months, and the issue of 2.0m Consideration Shares. On the second anniversary of the date of Completion, to the extent that the market value of the Consideration Shares is less than £2.0m, the Company will satisfy any such shortfall with either cash or the issue of Additional Consideration Shares (at the election of the Seller). The Seller is under an obligation not to create any encumbrance over the Consideration Shares, not to dispose of any interest in any of the Consideration Shares and not to dispose of any Consideration Shares other than through the Company's broker for a period of 12 months from

Completion, except with the consent of the Company and except in limited circumstances detailed in the Acquisition Agreement.

8. TAXATION

The comments in this section are intended as a general guide for UK resident Shareholders as to their tax position under United Kingdom law and HMRC practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The comments apply to Shareholders who are resident and domiciled for tax purposes in the UK, who will hold Shares as an investment and will be the absolute beneficial owners of them.

Non-UK resident and non-UK domiciled shareholders should consult their own tax advisers.

The position of Shareholders who are officers or employees of the Company is not considered in this section. Such Shareholders may be subject to an alternative tax regime and should therefore seek tax advice specific to their individual circumstances. The position of UK resident but non-domiciled individuals claiming the remittance basis of taxation is not considered in this section.

The tax position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section.

Any shareholder who is in doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser without delay.

8.1 Taxation of chargeable gains

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

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

A disposal of all or any of the Shares may, depending on the circumstances of the relevant shareholder, give rise to a liability to UK taxation on chargeable gains.

Individuals

Where an individual Shareholder disposes of Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£11,700 for 2018/19) and after taking account of any capital losses available to the individual.

For individuals, capital gains tax will be charged at 10 per cent. where the individual's taxable income and gains are less than the upper limit of the income tax basic rate band (£34,500 for 2018/19). To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 20 per cent.

Where a Shareholder disposes of the Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains. In certain circumstances the loss may be available to offset against taxable income in the current year (depending upon, *inter alia*, the circumstances of the Company and the Shareholder).

Companies

Where a Shareholder is within the charge to corporation tax, a disposal of Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company (up to 19 per cent. for the financial year 1 April 2018 to 31 March 2019).

8.2 Taxation of dividends

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

Individuals

Individual Shareholders have the benefit of an annual dividend allowance of £2,000. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent.

If an individual receives dividends in excess of this allowance, the excess will be taxed at the dividend ordinary rate of 7.5 per cent. for basic rate taxpayers, at the dividend higher rate of 32.5 per cent. for higher rate taxpayers, and at the dividend additional rate of 38.1 per cent. for additional rate taxpayers.

Companies

Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company. Other Shareholders within the charge to UK corporation tax will not be subject to UK tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are “ordinary share capital” for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class.

8.3 Stamp duty and stamp duty reserve tax (SDRT)

Transfers of existing UK shares (being shares of a company that is incorporated in the UK or which maintains its share register here) will normally be subject to stamp duty or SDRT as described below.

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser is generally payable on an instrument transferring UK shares. However, an exemption from stamp duty is available on an instrument transferring UK shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction, or series of transactions, in respect of which the aggregate amount or value of the consideration exceeds £1,000.

An unconditional agreement to transfer UK shares will normally give rise to a charge to SDRT, at the rate of 0.5 per cent. of the amount or value of the consideration payable by the purchasers for such shares, but such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duly stamped (or exempt) instrument of transfer within six years of the date of the agreement or, if the agreement was conditional, the date on which the agreement became unconditional. Both stamp duty and SDRT will normally be the liability of the purchaser or transferee of the UK shares.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of shares into the system, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of consideration given. Transfers of shares within CREST are generally liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable rather than stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected and accounted for to HMRC by CREST.

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

8.4 Inheritance tax

Individual and trustee investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax (IHT) on the value of any Shares held by them. IHT may also apply to individual shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position.

Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

9. SHARE OPTION PLANS

Share options

On 9 January 2019, the Board approved and adopted the “Likewise Group Share Save Scheme 2019”, a savings-related share option scheme under Schedule 3 to ITEPA (the **SAYE Scheme**). The Board also approved the grant of the Management Options which it was intended would qualify for favourable tax treatment as EMI Options before the First Admission of the Company to the Official List. The Management Options were granted on 12 January 2019 pursuant to a set of scheme rules (the EMI Scheme Rules) which the Board approved before the First Admission. The Board approved the grant of further Management Options pursuant to the EMI Scheme Rules on 13 March 2019. Those Management Options were granted on 13 March 2019, as explained in paragraph 9.1 below. An outline of the terms of the SAYE Scheme and the Management Options are set out below. Shareholder approval was obtained on 9 January 2019 for the adoption of the SAYE Scheme, the circulation of invitations under the SAYE Scheme to Eligible Employees (as defined in the rules of the SAYE Scheme (the SAYE Scheme Rules)), the adoption of the EMI Scheme Rules and the grant of Management Options pursuant to those rules.

For the purposes of this section, references to the **Board** shall include, where relevant, references to the **Remuneration Committee**.

9.1 SAYE scheme

Introduction

Before the First Admission, the Board adopted the SAYE Scheme Rules. The Board circulated an initial round of invitations (the **First Offer**) to all Eligible Employees shortly after the First Admission. It is anticipated that a further round of invitations will be circulated in the months following Admission to allow Eligible Employees who have joined the Group since the First Admission to participate in the SAYE Scheme.

Administration

The Company has appointed Yorkshire Building Society (**YBS**) to act as the scheme administrator and the savings contract administrator for the SAYE Scheme.

Under the SAYE Scheme Rules, the Board may invite applications for 3 year or 5 year options (**SAYE Options**) with the associated savings contract running for the same term.

Grant of SAYE Options

The SAYE Scheme Rules allow for the remuneration committee to grant SAYE Options with an exercise price of a minimum of 80 per cent. of the market value of the Shares as at the date of grant of those options. The market value for these are determined in accordance with HMRC’s accepted practice for valuing shares listed on a Recognised Stock Exchange on any given day, namely:

- the closing price for a Share on the previous dealing day (or if more than one price is shown, the lower price for a Share plus one half of the difference between the lower price and the higher price on the previous dealing day); or

- the average of the closing prices for a Share for the five immediately preceding dealing days (or if more than one price is shown on each of those dealing days, the lower price for a Share on each of those dealing days plus one half of the difference between the lower price and the higher price on each of those dealing days).

The Board can determine which of the above methods of determining market value should be used in relation to each offer of SAYE Options.

The SAYE Scheme Rules prohibit SAYE Options being granted at any time when such a grant would contravene any law, regulation with the force of law, or rule of an investment exchange on which the Shares are listed or traded, part of the Model Code or any other non-statutory rule with a purpose similar to any part of the Model Code that binds the Company or with which the Board has resolved to comply.

The SAYE Scheme Rules also prohibit the Company from granting SAYE Options after the tenth anniversary of the adoption date of the Scheme Rules.

Scaling Down

The SAYE Scheme Rules allow the remuneration committee to apply several different methods in scaling down applications in the event that the total number of applications received in response to a set of invitations exceeds the maximum number of shares stated in those invitations.

Where scaling down is required, the SAYE Scheme Rules allow for protection of employees making contributions lower than £50 per month in certain circumstances.

Size of SAYE Option grants

The SAYE Scheme Rules have been varied by Shareholder resolution before Admission to permit the number of shares over which options may be granted to exceed 10 per cent. of the entire issued share capital of the Company at any given time.

The minimum monthly contributions which an Eligible Employee can make in respect of SAYE Options granted under the SAYE Scheme Rules will be specified in the invitations circulated to those Eligible Employees in each case, but will be subject to a minimum contribution of not less than £5 per month and a maximum contribution of not more than £500 per month.

Exercise of SAYE Options

The SAYE Scheme Rules set out the procedure by which the optionholder may exercise their option.

The SAYE Options may be exercised early on the occurrence of a Relevant Event (as defined in the Scheme Rules) in connection with a takeover or liquidation of the Company, or where the optionholder ceases scheme-related employment in certain circumstances specified in the SAYE Scheme Rules.

If an optionholder dies before their SAYE Option is exercised, their Personal Representatives (as defined in the SAYE Scheme Rules) may exercise the option on their behalf.

Rights attaching to shares

Shares issued in connection with the exercise of the SAYE Options will rank equally with Shares of the same class then in issue (save as regards any rights attaching to Shares by reference to a date falling prior to the optionholder being entered on the register of members).

An application will be made for admission to trading on TISE of the new Shares issued on exercise of the SAYE Options.

Variation of share capital

If there is any alteration of the issued share capital of the Company, the Board are entitled to vary the number of Shares subject to the SAYE Options, and the exercise price under those SAYE Options would be adjusted accordingly.

Alteration of the SAYE Scheme Rules

The Board may amend the SAYE Scheme Rules but only to the extent that those amendments do not result in the SAYE Scheme Rules, and SAYE Options granted in accordance with the SAYE Scheme Rules, ceasing to meet the requirements of Schedule 3 to ITEPA.

The SAYE Scheme Rules allow for further savings-related share option plans to operate in overseas territories.

Prohibition on Exercise

Optionholders are prohibited from exercising their SAYE Options in certain circumstances where the optionholder ceases to be an Eligible Employee, or on a date earlier than the bonus date under the relevant savings contract linked to their SAYE Option, unless the optionholder has died in service.

The SAYE Scheme Rules also contain a general prohibition on exercise if such exercise is prohibited by, or would otherwise be a breach of, any law, regulation with the force of law, or rule of TISE, part of the Model Code or any other non-statutory rule with a purpose similar to any part of the Model Code that binds the Company or with which the Board or, where relevant, the remuneration committee has resolved to comply (including any personal dealing code adopted by the Company).

Awards

The Board approved and adopted the SAYE Scheme Rules before the First Admission. The Board also sought and obtained approval of the SAYE Scheme Rules from the company's shareholders.

The Board authorised the circulation of the First Offer to all Eligible Employees after the First Admission. The First Offer was in respect of Shares up to a maximum of 5 per cent., of the total issued share capital of the Company. SAYE Options have been granted over 4,929,000 Shares pursuant to the First Offer.

The option period for the SAYE Options granted pursuant to the First Offer is 5 years.

No consideration is payable on the grant of SAYE Options.

The exercise price per Share for the First Offer was determined as £0.10, being the market value per Share as at the date of grant of the SAYE Options pursuant to the First Invitation. The exercise price was determined in accordance with the SAYE Scheme Rules as the lower price for a Share plus one half of the difference between the lower price and the higher price on the dealing day immediately preceding the day on which the invitation for the First Offer was circulated. The Remuneration Committee decides whether such a discount to market value will be available to SAYE Options: on the First Invitation no such discount was permitted.

Eligible Employees are entitled to save between £5 and £500 per month under the terms of the First Offer.

9.2 Management Options

Introduction

The Board approved the EMI Scheme Rules and the grant of Management Options (the First Tranche Management Options) to 12 key members of the Company's management team over a total of 5,315,000 Shares before the First Admission.

The Board sought and obtained Shareholder approval for the EMI Scheme Rules and the grant of the proposed Management Options pursuant to those rules prior to First Admission.

The Board granted the First Tranche Management Options after the First Admission, with an exercise price equal to the market value of the shares on the date of grant (as determined in accordance with the EMI Scheme Rules).

On 13 March 2019, the Board granted a further 6 Management Options (the Second Tranche Management Options) to key personnel who have joined the Group since the First Admission. The

Second Tranche Management Options were also granted with an exercise price equal to the market value of the shares as at the date of grant (determined in accordance with the EMI Scheme Rules). The Second Tranche Management Options were granted over a total of 675,000 Shares.

Upon any further acquisitions by the Group, the Company will consider granting options to other key personnel in accordance with the EMI Scheme Rules.

None of the Management Options are transferable. Only persons to whom Management Options are granted, or their personal representatives, may acquire Shares pursuant to their Management Options.

Administration

The Board exercised its discretion to select the individuals who were granted the Management Options after the First Admission. The grant of Management Options is subject to the provisions contained in the EMI Scheme Rules.

The Board has overall responsibility for the operation of the Management Options following the First Admission and has discretion to select persons to whom any further awards of Management Options will be granted in accordance with the EMI Scheme Rules.

Grant of Options

The Management Options are share options granted with an exercise price equal to market value. The market value is determined as detailed above in relation to the EMI Scheme Rules.

Size of EMI Options grants

The Board intend that the Management Options will qualify as EMI Options. The Company may therefore grant further EMI Options in accordance with the EMI Scheme Rules for as long as the Company satisfies the qualifying conditions set out in the EMI Code (as defined in Section 527(3) of ITEPA).

The Company may not grant EMI Options over shares worth more than £3,000,000 at any given time.

The Management Options are discretionary options granted under the EMI Scheme Rules.

Following a variation of the EMI Scheme Rules by Shareholder resolution before Admission, the maximum number of Shares that can be subject to Management Options which may be acquired under the EMI Scheme Rules may (a) exceed 5 per cent. of the entire issued share capital of the Company as at the date of grant and (b) when aggregated with Shares over which options may be granted under the SAYE Scheme Rules may exceed 10 per cent. of the entire issued share capital of the Company.

Individual Limits

The value of Shares over which an employee or executive director may be granted Management Options at any time may not exceed £250,000.

Performance Targets

The performance targets under the Management Options are based on a combination of the average earnings per share (**EPS**) and total shareholder return (**TSR**) over a period of 5 years from the date of grant of the EMI Options (the **Performance Period**). The method of calculating EPS and TSR is set out in the option agreements. The performance targets operate so that 80 per cent., of the optionholder's total entitlement is determined by reference to EPS over the Performance Period, with entitlement to the remaining 20 per cent. being determined by reference to TSR over the Performance Period.

The Management Options will vest to the extent that those performance targets are met. To the extent that those performance targets are not met, the Management Options will lapse over all or part of the total number of Shares granted under those Management Options.

The Board has the power to amend the performance targets but only if, in their view, such amendment is necessary or appropriate to ensure that the Management Options vest in a manner which is consistent with their objectives and purpose.

Vesting of Options

In most circumstances, the Management Options will vest on the date falling 5 years after the date of grant. The Management Options may, at the discretion of the Board, vest earlier on the occurrence of certain events such as a takeover of the Company.

Rights attaching to shares

The Shares issued on exercise of the Management Options will rank equally with Shares of the same class then in issue (save as regards any rights attaching to Shares by reference to a date falling prior to the optionholder being entered on the register of members).

An application will be made for admission to trading on TISE of new Shares issued.

Variation of share capital

If there is any alteration of the issued share capital of the Company, the number of Shares subject to the Management Options, and the exercise price under those Management Options, will be subject to adjustments.

Alteration of the Management Options

Whilst shares in the Company are traded on a stock exchange, the Board may not make any amendments to the terms of the Management Options otherwise than in accordance with the TISEA Listing Rules, any rule or regulation with the force of law or other rule, code or set of guidelines adopted by the Company.

Malus

Where the optionholder is a “Bad Leaver” under the terms of the Management Options before the end of the Performance Period, the optionholder will lose his or her entitlement to all of the shares subject to the Management Options and the Management Options will lapse in full.

Prohibition on Exercise

Optionholders are prohibited from exercising their Management Options in certain circumstances where the optionholder is subject to disciplinary proceedings or investigation by their employer, if the optionholder has committed certain breaches of their employment contract or is acting in breach of their fiduciary duty, or where notice of termination of the optionholder’s employment remains effective.

The Management Options also contain a general prohibition on exercise if such exercise is prohibited by, or would otherwise be a breach of, any law, regulation with the force of law, or rule of TISEA, part of the Model Code or any other non-statutory rule with a purpose similar to any part of the Model Code that binds the Company or with which the Board or, where relevant, the remuneration committee has resolved to comply (including any personal dealing code adopted by the Company).

The optionholder will not be able to exercise their Management Option if they are a “Bad Leaver” under the terms of the Management Option.

Awards

The Board and shareholders of the Company approved the terms of the EMI Scheme Rules and Management Options and authorised the Company to enter into the First Tranche Management Options before the First Admission.

After the First Admission, the Company and each of the optionholders entered into agreements to grant the First Tranche Management Options over a total of 5,315,000 Shares to 12 option holders.

On 13 March 2019, the Company entered into agreements to grant the Second Tranche Management Options to 6 further key personnel over a total of 675,000 in accordance with the EMI Scheme Rules.

An option fee of £1 was payable on the date of grant of the Management Options.

The exercise price per Share under the Management Options was determined as the market value per share as at the date of grant of the Management Options. The market value was determined as the lower price for a Share plus one half of the difference between the lower price and the higher price on the dealing day immediately preceding the date of the grant of Management Options.

The Management Options have a maximum term of 10 years from the date of grant. The Management Options are not exercisable before they have vested. The Management Options will vest on the date falling 5 years after the date of grant over an amount of Shares to be determined by reference to the Performance Targets. The Management Options may, at the discretion of the Board, vest earlier on the occurrence of certain events such as a takeover.

10. ARRANGEMENTS RELATING TO THE PLACING

10.1 Pursuant to the Placing Agreement:

10.1.1 Zeus Capital and Ravenscroft have agreed as agents and joint brokers for the Company, to use their respective reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price but they are under no obligation to subscribe for any Placing Shares for which they are unable to procure subscribers;

10.1.2 the Company has given certain warranties and indemnities to Zeus Capital and Ravenscroft as to the accuracy of information contained in this Document and other matters in relation to the Enlarged Group; and

10.1.3 the Company has agreed to pay Zeus Capital and Ravenscroft commission of 4 per cent. of the Placing proceeds raised by Zeus Capital and Ravenscroft, and 1 per cent. of the Placing proceeds raised by the Company, together with reasonably incurred expenses

10.2 The Placing Agreement is:

10.2.1 conditional, *inter alia*, upon:

- (a) the Acquisition Agreement having become unconditional in all respects, save for Admission;
- (b) the resolutions to be proposed at the General Meeting have been duly passed without amendment;
- (c) certain documents specified in the Placing Agreement being delivered by the Company;
- (d) none of the warranties given by the Company being untrue, inaccurate or misleading; and
- (e) Admission taking place not later than 8.00 a.m. on 18 April 2019 or such later date as Zeus Capital and Ravenscroft may agree, being not later than 8.00 a.m. on 30 April 2019; and

10.2.2 terminable by Zeus Capital and Ravenscroft before Admission in certain circumstances, including a material breach of any of the warranties given by the Company, the failure to comply with obligations by the Company or certain force majeure events occurring.

11. INVESTMENTS

There are no investments being made by the Enlarged Group or to be made in the future in respect of which firm commitments have been made.

12. ENVIRONMENTAL ISSUES

To the best of the Company's knowledge, the Enlarged Group is unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

13. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company and the Enlarged Group (taking into account the net proceeds of the Placing and Introduction receivable by the Company) is sufficient for its present requirements that is for at least the next twelve months from the date of Admission.

14. LITIGATION

No member of the Enlarged Group is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against any member of the Enlarged Group during the 12 months preceding the date of this Document which may have or have had in the recent past a significant effect on the financial position or profitability of the Enlarged Group.

15. EMPLOYEES

As at 31 December 2017, the Group had 48 employees and as at 22 March 2019, being the last practicable date prior to the publication of this Document, the Group had 82 employees.

As at 31 March 2018, Heatseam Limited had 45 employees and as at 22 March 2019, being the last practicable date prior to the publication of this Document, Heatseam Limited had 52 employees.

As at the date of this Document the Enlarged Group's employees are all employed at the William Armes, Bruce Starke, Lewis Abbott, Heatseam and Factory Planning Outlet business addresses.

16. CHARGES

The Company has two outstanding charges registered at Companies House against the assets of the Company being two debentures and cross guarantees with Barclays Bank PLC. Heatseam has one outstanding charge in favour of Natwest Bank.

17. PATENTS

17.1 The Enlarged Group is not the registered proprietor of any patents.

17.2 The Enlarged Group has the following registered trademarks.

<i>Country</i>	<i>Number</i>	<i>Mark</i>	<i>Class</i>
UK	00001212316	DANDY	27
UK	00002331831	WASHAMAT Washamat WashaMat	27
UK	00002365122	DandyMicrom Dandy Microm DANDY MICROM	27
UK	00002622218	Dandydura DANDYDURA	27
UK	00001502130	STORMSAFE	27
UK	00003315218	LIKEWISE	27
UK	00003201111	Estilo logo	27
UK	00003200232	Estilo word	27

17.3 The relevant company in the Enlarged Group is the registrant of the following domain names:

www.likewiseplc.com
www.bruce-starke.com
www.william-armes.co.uk
www.marqueefloors.co.uk
www.washamat.co.uk

www.matsonline.co.uk
www.heatseamltd.co.uk
www.factoryflooringoutlet.net
www.factoryflooringoutlet.co.uk
www.heatseamlimited.co.uk

17.4 Save as set out at paragraphs 17.1 to 17.3 above, there are no patents or other intellectual property rights, licenses or particular contracts which are of fundamental importance to the Enlarged Group's business.

18. GENERAL

18.1 Crowe is a limited liability partnership registered in England and Wales with registered number OC307043 and having its registered office at St. Brides House, 10 Salisbury Square, London EC4Y 8EH. Crowe has no material interest in the Enlarged Group.

18.2 Zeus Capital, which is regulated by the Financial Conduct Authority, has given and has not withdrawn its written consent to the inclusion in this Document of its name in the form and context in which it appears. On Admission, Zeus Capital will hold 4,055,824 Shares. Save as disclosed in Part V, paragraph 7 of this Document, Zeus Capital has no material interest in the Enlarged Group.

18.3 Ravenscroft, which is regulated by the Guernsey Financial Services Commission and the Jersey Financial Services Commission, has given and has not withdrawn its written consent to the inclusion in this Document of its name in the form and context in which it appears. On Admission, Ravenscroft will hold 200,000 Shares. Ravenscroft has no material interest in the Enlarged Group.

18.4 It is estimated that the total fees, commissions and expenses payable by the Company in connection with the Placing, Introduction, Acquisition and Admission will amount to approximately £0.5m (excluding VAT).

18.5 The financial information set out in this Document does not constitute statutory accounts within the meaning of section 434 of the Act.

18.6 The Placing Price represents a premium of £0.24 over the nominal value of £0.01 per Share. The premium arising on the Placing and Introduction amounts to £7,200,000 in aggregate.

18.7 The Shares are in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued. The ISIN number of the Shares is GB00BHNWH003.

18.8 There are no arrangements under which future dividends are waived or agreed to be waived.

18.9 The Company's registrar and paying agent for the payment of dividends is Link Market Services Limited trading as Link Asset Services.

18.10 Other than First Admission and the current application for Admission, the Shares have not been admitted to dealings on any recognised investment exchange other than TISE nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Shares.

18.11 Save as disclosed in this Document, there have been no payments by the Enlarged Group to promoters in the two years prior to the date of this Document and no fees have been paid in the 12 months preceding the date of this Document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.

DWF Group plc are entitled to a fee totalling in excess of £10,000 in connection with Admission which is included in the estimate of costs set out in paragraph 18.4 of Part V. DWF Group plc were engaged by the Financial Adviser to provide professional legal services to the Financial Adviser.

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

- received, directly or indirectly from the Enlarged Group within the 12 months preceding the date of the application for Admission; or
 - entered into contractual arrangements (not otherwise disclosed in this Document) to receive, directly or indirectly, from the Company, on or after Admission, any of the following:
 - fees totalling £10,000 or more;
 - securities in the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - any other benefit with the value of £10,000 or more at the date of Admission.
- 18.13 Save as disclosed in this Document, there has been no significant adverse change in the financial or trading position of the Group since 31 December 2017, the date to which the last audited results of the Company were prepared.
- 18.14 Save as disclosed in this Document, there has been no significant adverse change in the financial or trading position of Heatseam since 31 March 2018, the date to which the last audited results of the Heatseam were prepared.
- 18.15 There have been no interruptions in the business of the Enlarged Group, which may have or have had in the 12 months preceding the publication of this Listing Document a significant adverse effect on the financial position of the Enlarged Group or which are likely to have a material adverse effect on the prospects of the Enlarged Group for the next 12 months.
- 18.16 The Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group prospects in the period 1 January 2018 until the date of this Document.
- 18.17 There is no change in the nature of the business of the Enlarged Group contemplated.
- 18.18 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 18.19 This Document does not constitute an offer to sell, or the solicitation of an offer to acquire, Shares in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in any jurisdiction in which such distribution is unlawful. The Shares have not been, and will not be, registered under the US Securities Act or under the applicable securities laws of the Excluded Territories and may not be sold, directly or indirectly, within the United States or the Excluded Territories or to any citizen, national or resident of the United States or the Excluded Territories.

19. AVAILABILITY OF DOCUMENTS

The following documents may be inspected between the hours of 9 a.m. to 5 p.m. for 14 days from Admission, at Likewise Group PLC, Church Field Road, Sudbury, Suffolk, England CO10 2YA:

- this Listing Document;
- the constitutional documents of the Company; and
- the financial information

The financial information (comprising the documents referenced in Part IV of this Document and Part IV of the IPO Listing Document) of Likewise will be available for review on an ongoing basis on the Company's website www.likewiseplc.com.

Dated: 17 April 2019

DEFINITIONS

Act	Companies Act 2006 (as amended)
Acquisition	the acquisition by the Company of the entire issued share capital of Heatseam Limited from Glenn Andrew Toomes
Acquisition Agreement	The agreement dated 20 March 2019 between Glen Andrew Toomes and the Company for the Acquisition
Additional Consideration Shares	Any additional shares due under the Acquisition Agreement on the second anniversary of Completion to the extent that the market value of the Consideration Shares falls short of £2.0m
Admission	the admission of the Enlarged Share Capital to trading on the Official List effective in accordance with the TISEA Listing Rules
Articles	the articles of association of the Company adopted on 9 January 2019 a summary of which is set out at paragraph 3 of Part V of the Listing Document
Associate	<p>in relation to any director or controlling shareholder, who is an individual or a company:</p> <ul style="list-style-type: none">(i) that individual's family members;(ii) the trustees (acting as such) of any trust of which the individual or any of the individual's family members is a beneficiary;(iii) any company in whose equity securities the individual and/or any of the individual's family members (taken together) are directly or indirectly interested so as to exercise or control the exercise of 30 per cent. or more of the voting power at general meetings, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings and any other company that is its subsidiary;(iv) any company whose directors are accustomed to act in accordance with the individual's directions or instructions
Authority or TISEA	The International Stock Exchange Authority Limited, also known as TISEA, or any previous or successor name, which is licensed to operate an investment exchange by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended
Bank of England Base Rate	the interest rate that the Bank of England charges banks for secured overnight lending
Board	the board of Directors of the Company from time to time, or a duly constructed committee thereof
Bruce Starke or Bruce Starke & Co	Bruce Starke & Co Limited
Company or Likewise	Likewise Group PLC
Completion	completion of the Acquisition
Consideration Shares	the 2.0m Shares to be issued on Completion pursuant to the Acquisition Agreement

Controlling Shareholder	any party who is (or in the case of a related party/connected transaction only was within the 12 months preceding the date of that transaction) entitled to exercise, or control the exercise of 30 per cent. or more of the voting power at general meetings of the issuer or one which is in a position to control the appointment and/or removal of directors holding a majority of voting rights at board meetings
Crowe	Crowe U.K. LLP
Directors	the directors of the Company
Draft Listing Document	the listing document dated 25 March 2019
EMI Options	Enterprise Management Incentive share options which satisfy the relevant provisions of Schedule 5 to ITEPA
Enlarged Group	the Company and each of its subsidiary companies immediately after Completion (including Heatseam Limited)
Enlarged Share Capital	the Existing Shares, the New Shares and the Consideration Shares
Excluded Territories	any state of the United States, any province or territory of Canada, Japan, the Republic of South Africa, New Zealand or Australia
Exchange or TISE	the investment exchange known as The International Stock Exchange, TISE or any previous or successor name of the Exchange, which is operated by the Authority
Existing Shares or Existing Share Capital	the shares in issue as at the date of this Listing Document
FCA	Financial Conduct Authority of the United Kingdom
First Admission or IPO	the admission of the Existing Shares to trading on the Official List effective in accordance with the TISEA Listing Rules on 11 January 2019
Form of Proxy	a form of proxy to enable the Shareholders to vote at the General Meeting
FPO	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
FSMA	the Financial Services and Markets Act 2000
General Meeting	the general meeting of the Company to be held at Hogarths Stone Manor Hotel, Stone, Kidderminster, Worcestershire, DY10 4PJ on 16 April 2019 at 10.00 a.m.
Group	the Company and each of its subsidiary companies from time to time
Heatseam	Heatseam Limited
IFRS	International Financial Reporting Standards
Introduction	the subscription for Introduction Shares at the Placing Price directly received by Likewise
Introduction Shares	the number of Shares subscribed for pursuant to the Introduction

IPO Listing Document	the listing document for the First Admission dated 11 January 2019
Issue Price	£0.10
ITEPA	the Income Tax (Earnings and Pensions) Act
Joint Brokers	Zeus Capital and Ravenscroft
Lewis Abbott	Lewis Abbott Limited
Listing Document or Document	this document and appendices attached
Management Options	the options granted pursuant to the EMI Scheme Rules as set out in paragraph 9.2 of Part V including the First Tranche Management Options and the Second Tranche Management Options (as defined in Paragraph 9.2 of Part V)
New Shares	the sum of the Placing Shares and the Introduction Shares, being 30,000,000 Shares
Official List	the list of securities admitted to listing on the Exchange which is published and maintained by the Authority
Placing	the subscription for the Placing Shares at the Placing Price
Placing Agreement	the Placing Agreement dated 25 March 2019 and made between the Company, Zeus Capital and Ravenscroft in relation to the placing
Placing Price	£0.25
Placing Shares	the number of Shares subscribed for pursuant to the Placing
Ravenscroft	Ravenscroft Limited
Registered Office	Likewise Group PLC, Church Field Road, Sudbury, Suffolk, England C010 2YA
Related Party	(a) any person who is a director or other equivalent officer of an issuer or of any entity within the issuer's group; (b) a substantial or controlling shareholder; or (c) an associate of (a) or (b)
SAYE	Save as you earn
SAYE Scheme Rules	the rules of the SAYE Scheme
SAYE Scheme	the "Likewise Group Share Save Scheme 2019" a savings related share option scheme under Schedule 3 to ITEPA
SAYE Options	The options granted pursuant to the SAYE Scheme Rules as set out in paragraph 9.1 of Part V
SEC	U.S. Securities and Exchange Commission
Secretary	Roy Povey or his replacement as Secretary of the Company from time to time
Seller	Glen Andrew Toomes

Shareholder	holders of Shares
Shares	ordinary shares of £0.01 each in the capital of the Company in issue from time to time, (for the avoidance of doubt to include the New Shares and the Consideration Shares on Admission and Completion)
Share Option Plans	the SAYE Options and the Management Options as defined in Part V, paragraph 9
Substantial Shareholder	a person who holds or controls 10 per cent. of a class of security (excluding treasury shares) or of the votes to be cast on all or substantially all matters at general meetings of an issuer
Takeover Code	the City Code on Takeovers and Mergers
Takeover Panel	The Panel on Takeovers and Mergers who administers the Takeover Code
TISEA Listing Rules	the rules of the Authority governing the listing of securities on the Exchange, as amended from time to time
William Armes	William Armes Limited
William Armes Group	William Armes Holdings Limited and its wholly owned subsidiary, William Armes Limited
William Armes Holdings	William Armes Holdings Limited
Zeus Capital	Zeus Capital Limited

APPENDIX 1

Company number: 08010067

LIKEWISE GROUP PLC (the Company)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a general meeting of the Company (**Meeting**) will be held at Hogarths Stone Manor Hotel, Kidderminster DY10 4PJ on 16 April 2019 at 10 a.m. for the purpose of considering, and if thought fit passing, the following resolutions, which will be proposed as ordinary or special resolutions as indicated:

ORDINARY RESOLUTIONS

1. **THAT**, subject to and conditional upon the passing of resolutions 2, 3, 4 and 5 below, the acquisition of the entire issued share capital of Heatseam Limited by the Company (the **Acquisition**) be and is hereby approved.
2. **THAT**, subject to and conditional upon the passing of resolution 1 above and resolutions 3, 4 and 5 below and in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot up to 40,000,000 ordinary shares of £0.01 each (the **New Shares**) pursuant only to the subscription for those shares (the **Placing** and the **Introduction**) by new and existing shareholders invited to participate in the Placing and by new and existing shareholders who have elected to participate in the Introduction and 2,000,000 ordinary shares of £0.01 each (the **Consideration Shares**) pursuant only to the Acquisition to Glen Andrew Toomes **PROVIDED THAT** this authority shall expire at the conclusion and completion of the Acquisition, the Introduction and the Placing which is expected to occur on or around 18 April 2019.
3. **THAT**, subject to and conditional upon the passing of resolution 1 and 2 above and resolutions 4 and 5 below and in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as **Relevant Securities**) up to an aggregate nominal value of £810,000 being 50 per cent. authorised unissued shares, to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company) **PROVIDED THAT** this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is 15 months from the date of this resolution (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

4. **THAT**, subject to and conditional upon the passing of resolutions 1, 2 and 3 above and resolution 5 below and in substitution for all existing and unexercised authorities and powers, the directors of the Company be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) (**Equity Securities**) pursuant to the authority conferred upon them by resolution 2 and 3 above as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:

4.1. the allotment of the New Shares (as defined in and pursuant to resolution 2);

4.2 the allotment of the Consideration Shares (as defined in and pursuant to resolution 2);

4.3. the allotment of Equity Securities pursuant to the authority granted under resolution 3 in connection with a rights issue or similar offer in favour of ordinary shareholders where the Equity Securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory; and

4.4. the allotment (otherwise than pursuant to paragraphs 4.1 to 4.3 above) of Equity Securities pursuant to the authority granted under resolution 3 up to an aggregate nominal amount of £81,000, representing approximately 5 per cent. of the issued share capital of the Company,

and shall expire, unless previously renewed, varied or revoked by the Company in general meeting, at the end of the next annual general meeting of the Company (or, if earlier, 15 months from the date of this resolution) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Equity Securities to be allotted after the expiry of such period and the directors may allot Equity Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

5. **THAT**, subject to and conditional upon the passing of resolutions 1, 2, 3 and 4 above, and in addition to any authority granted under resolution 4 above, the directors of the Company be and are hereby generally and unconditionally empowered pursuant to section 570 of the Act to allot Equity Securities under the authority given by that resolution 3 as if section 561 of the Act did not apply to any such allotment of Equity Securities, such authority to be:

5.1 limited to the allotment of Equity Securities pursuant to the authority granted under resolution 3 up to an aggregate nominal amount of £81,000, representing approximately 5 per cent. of the issued share capital of the Company; and

5.2 used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors 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 most recently published by the Pre-Emption Group prior to the date of this notice of annual general meeting of the Company,

such authority, unless previously renewed, varied or revoked by the Company in general meeting, to expire at the end of the next annual general meeting of the Company (or, if earlier, 15 months from the date of this resolution) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Equity Securities to be allotted after the expiry of such period and the directors of the Company may allot Equity Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

ORDINARY RESOLUTIONS

6. **THAT** the Rules of the Likewise Group Share Save Scheme 2019 established by a resolution of the board of directors of the Company on 9 January 2019 (the SAYE Scheme Rules) be amended as follows:
 - 6.1 The following restriction on the number of shares which may be subject to options granted under the SAYE Scheme Rules be removed from the SAYE Scheme Rules:

“2.8 No option shall be granted pursuant to this rule 2 if such a grant would result in the aggregate number of shares:

 - 2.8.1 over which subsisting options have been granted in accordance with this Plan; and*
 - 2.8.2 which have been issued on the exercise of Option granted pursuant to this Plan; and*
 - 2.8.3 over which Subsisting Options have been granted nor any other share option scheme during the period of 10 years ending on the relevant Date of Grant; and*
 - 2.8.4 which has been issued provided to any other employee share scheme (including a share option scheme) during the period of 10 years ending on the relevant Date of Grant exceeding 10 per cent. of the number of shares in the Company then in issue.”*
 - 6.2 Any consequential amendments required to be made to the SAYE Scheme Rules in order to give effect to the amendment referred to in resolution 6.1 above be approved.
7. **THAT**, subject to and conditional upon the passing of the resolution numbered 6 above, the directors be authorised to do all acts and things necessary to amend the SAYE Scheme Rules as set out in resolution 6 above and to invite Eligible Employees (as defined in those SAYE Scheme Rules) to participate.
8. **THAT** the Rules of the Likewise Group Enterprise Management Incentives Option Scheme 2019 established by a resolution of the board of directors of the Company on 9 January 2019 and approved by the shareholders of the Company on 9 January 2019 (the **EMI Scheme Rules**) be amended as follows:
 - 8.1 The following restriction on the number of shares which may be subject to options granted under the EMI Scheme Rules be removed from the EMI Scheme Rules:

“4.1 The Company shall not grant an Option if that grant would result in:

 - 4.1.1 the total number of Dilutive Shares exceeding 10 per cent. of the issued share capital of the Company; and*
 - 4.1.2 the total number of Discretionary Dilutive Shares exceeding 5 per cent. of the issued share capital of the Company.”*
 - 8.2 Any consequential amendments required to be made to the EMI Scheme Rules in order to give effect to the amendment referred to in resolution 6.1 above be approved.
9. **THAT**, subject to and conditional on the passing of the resolution numbered 8 above, the directors be authorised to do all acts and things necessary to amend the EMI Scheme Rules as set out in resolution 8 above.
10. **THAT**, subject to and conditional on the passing of resolutions numbered 8 and 9 above, further EMI agreements (the **EMI Agreements**), a proforma of which was approved in the general meeting of the Company held on 9 January 2019, between (1) the Company and (2) the following employees (the **Employees**) over the number of ordinary shares of £0.01 each in the capital of the Company as stated below (**EMI Shares**) be approved and the options (the **EMI Options**) be granted pursuant to the EMI Agreements:
 - 10.1 Sandra Carter in respect of 75,000 EMI Shares;
 - 10.2 Troy Fallon in respect of 75,000 EMI Shares.

11. **THAT**, subject to and conditional on the passing of the resolutions numbered 8, 9 and 10 above, the directors be authorised to do all acts and things necessary to grant the EMI Options referred to in resolution 10 above to the Employees and to grant further options in accordance with the EMI Scheme Rules (as amended) to such other employees as the directors in their absolute discretion may select.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'R. S.', with a horizontal line extending to the right.

Director

Date: 25 March 2019

Registered office:

Church Field Road, Sudbury, Suffolk, England, CO10 2YA

NOTES:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the register of members of the Company (Register of Members) of the Company at close of trading on 12 April 2019 (being not more than 48 hours before the time fixed for the meeting excluding non-working days). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting, so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the registrar of the Company whose contact details are provided below.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. To be valid, any form of proxy or other instrument appointing a proxy, must be returned by no later than 10 a.m. on 12 April 2019 (being not less than 48 hours before the time appointed for the meeting excluding non-working days) through any one of the following methods:
 - 6.1 by post, courier or (during normal business hours only) hand to the Company's registrar at:

Link Asset Services
PXS1
34 Beckenham Road
Beckenham
BR3 4ZF
 - 6.2 in the case of shares held through CREST, via the CREST system (see notes below).
7. If you return more than one proxy appointment, either by paper or via CREST, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence.
8. The return of a completed form of proxy or any CREST Proxy Instruction (as defined in note 10 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10 a.m. on 12 April 2019 (being not less than 48 hours before the time appointed for the meeting excluding non-working days). For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

13. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
14. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
15. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.likewiseplc.com.

APPENDIX 2

LIKEWISE GROUP PLC PROXY FOR USE AT GENERAL MEETING

Please complete using **BLOCK** letters.

I/We

of

.....

.....

being a Member(s) of **LIKEWISE GROUP PLC** (the **Company**) appoint the chair of the general meeting or (see notes 1 and 2)

.....

(please use **BLOCK** letters)

as my/our proxy to attend and vote for me/us and on my/our behalf at the general meeting of the Company to be held at Hogarths Stone Manor Hotel, Kidderminster DY10 4PJ on 16 April 2019 at 10 a.m. (the **Meeting**) and at any adjournment of that meeting.

I/We request that proxy to vote on the following resolutions in the manner specified below: (see note 3)

Resolutions	For	Against	Withheld
1. THAT , subject to and conditional upon the passing of resolutions 2, 3, 4 and 5 below, the acquisition of the entire issued share capital of Heatseam Limited by the Company (the Acquisition) be and is hereby approved.			
2. THAT , subject to and conditional upon the passing of resolution 1 above and resolutions 3, 4 and 5 below and in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot up to 40,000,000 ordinary shares of 1 pence each (the New Shares) pursuant only to the subscription for those shares (the Placing and the Introduction) by new shareholders invited to participate in the Placing and by new shareholders who have elected to participate in the Introduction and 2,000,000 ordinary shares of 1 pence each (the Consideration Shares) pursuant only to the Acquisition to Glen Andrew Toomes PROVIDED THAT this authority shall expire at the conclusion and completion of the Acquisition, the Introduction and the Placing which is expected to occur on or around 18 April 2019.			

Resolutions	For	Against	Withheld
<p>3. THAT, subject to and conditional upon the passing of resolution 1 and 2 above and resolutions 4 and 5 below and in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as Relevant Securities) up to an aggregate nominal value of £810,000 being 50 per cent. authorised unissued shares, to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company) PROVIDED THAT this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is 15 months from the date of this resolution (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.</p>			
<p>4. THAT, subject to and conditional upon the passing of resolutions 1, 2 and 3 above and resolution 5 below and in substitution for all existing and unexercised authorities and powers, the directors of the Company be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) (Equity Securities) pursuant to the authority conferred upon them by resolution 2 and 3 above as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:</p> <p>4.1 the allotment of the New Shares (as defined in and pursuant to resolution 2);</p> <p>4.2 the allotment of the Consideration Shares (as defined in and pursuant to resolution 2);</p> <p>4.3 the allotment of Equity Securities pursuant to the authority granted under resolution 3 in connection with a rights issue or similar offer in favour of ordinary shareholders where the Equity Securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory; and</p>			

Resolutions	For	Against	Withheld
<p>4.4 the allotment (otherwise than pursuant to paragraphs 4.1 to 4.3 above) of Equity Securities pursuant to the authority granted under resolution 3 up to an aggregate nominal amount of £81,000, representing approximately 5 per cent. of the issued share capital of the Company,</p> <p>and shall expire, unless previously renewed, varied or revoked by the Company in general meeting, at the end of the next annual general meeting of the Company (or, if earlier, 15 months from the date of this resolution) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Equity Securities to be allotted after the expiry of such period and the directors may allot Equity Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.</p>			
<p>5. THAT, subject to and conditional upon the passing of resolutions 1, 2, 3 and 4 above, and in addition to any authority granted under resolution 4 above, the directors of the Company be and are hereby generally and unconditionally empowered pursuant to section 570 of the Act to allot Equity Securities under the authority given by that resolution 3 as if section 561 of the Act did not apply to any such allotment of Equity Securities, such authority to be:</p> <p>5.1 limited to the allotment of Equity Securities pursuant to the authority granted under resolution 3 up to an aggregate nominal amount of £81,000, representing approximately 5 per cent. of the issued share capital of the Company; and</p> <p>5.2 used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors 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 most recently published by the Pre-Emption Group prior to the date of this notice of annual general meeting of the Company,</p> <p>such authority, unless previously renewed, varied or revoked by the Company in general meeting, to expire at the end of the next annual general meeting of the Company (or, if earlier, 15 months from the date of this resolution) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Equity Securities to be allotted after the expiry of such period and the directors of the Company may allot Equity Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.</p>			

Resolutions	For	Against	Withheld
<p>6. THAT the Rules of the Likewise Group Share Save Scheme 2019 established by a resolution of the board of directors of the Company on 9 January 2019 (the SAYE Scheme Rules) be amended as follows:</p> <p>6.1 The following restriction on the number of shares which may be subject to options granted under the SAYE Scheme Rules be removed from the SAYE Scheme Rules:</p> <p><i>“2.8 No option shall be granted pursuant to this rule 2 if such a grant would result in the aggregate number of shares:</i></p> <p style="padding-left: 40px;"><i>2.8.1 over which subsisting options have been granted in accordance with this Plan; and</i></p> <p style="padding-left: 40px;"><i>2.8.2 which have been issued on the exercise of Option granted pursuant to this Plan; and</i></p> <p style="padding-left: 40px;"><i>2.8.3 over which Subsisting Options have been granted nor any other share option scheme during the period of 10 years ending on the relevant Date of Grant; and</i></p> <p style="padding-left: 40px;"><i>2.8.4 which has been issued provided to any other employee share scheme (including a share option scheme) during the period of 10 years ending on the relevant Date of Grant</i></p> <p style="padding-left: 40px;"><i>exceeding 10 per cent. of the number of shares in the Company then in issue.”</i></p> <p>6.2 Any consequential amendments required to be made to the SAYE Scheme Rules in order to give effect to the amendment referred to in resolution 6.1 above be approved.</p>			
<p>7. THAT, subject to and conditional upon the passing of the resolution numbered 6 above, the directors be authorised to do all acts and things necessary to amend the SAYE Scheme Rules as set out in resolution 6 above and to invite Eligible Employees (as defined in those SAYE Scheme Rules) to participate.</p>			
<p>8. THAT the Rules of the Likewise Group Enterprise Management Incentives Option Scheme 2019 established by a resolution of the board of directors of the Company on 9 January 2019 and approved by the shareholders of the Company on 9 January 2019 (the EMI Scheme Rules) be amended as follows:</p> <p>8.1 The following restriction on the number of shares which may be subject to options granted under the EMI Scheme Rules be removed from the EMI Scheme Rules:</p> <p><i>“4.1 The Company shall not grant an Option if that grant would result in:</i></p> <p style="padding-left: 40px;"><i>4.1.1 the total number of Dilutive Shares exceeding 10 per cent. of the issued share capital of the Company; and</i></p> <p style="padding-left: 40px;"><i>4.1.2 the total number of Discretionary Dilutive Shares exceeding 5 per cent. of the issued share capital of the Company.”</i></p> <p>8.2 Any consequential amendments required to be made to the EMI Scheme Rules in order to give effect to the amendment referred to in resolution 6.1 above be approved.</p>			

Resolutions	For	Against	Withheld
<p>9. THAT, subject to and conditional on the passing of the resolution numbered 8 above, the directors be authorised to do all acts and things necessary to amend the EMI Scheme Rules as set out in resolution 8 above.</p>			
<p>10. THAT, subject to and conditional on the passing of resolutions numbered 8 and 9 above, further EMI agreements (the EMI Agreements), a proforma of which was approved in the general meeting of the Company held on 9 January 2019, between (1) the Company and (2) the following employees (the Employees) over the number of ordinary shares of £0.01 each in the capital of the Company as stated below (EMI Shares) be approved and the options (the EMI Options) be granted pursuant to the EMI Agreements:</p> <p>10.1 Sandra Carter in respect of 75,000 EMI Shares;</p> <p>10.2 Troy Fallon in respect of 75,000 EMI Shares.</p>			
<p>11. THAT, subject to and conditional on the passing of the resolutions numbered 8, 9 and 10 above, the directors be authorised to do all acts and things necessary to grant the EMI Options referred to in resolution 10 above to the Employees and to grant further options in accordance with the EMI Scheme Rules (as amended) to such other employees as the directors in their absolute discretion may select.</p>			

Signature (see note 4)

Joint holders (if any) (see note 9)

Name: Name:

Name: Name:

NOTES:

1. If you wish to appoint someone other than the chair as your proxy, please insert his or her name and address, and strike out and initial the words "the chair of the general meeting or". A proxy does not need to be a member of the Company. Appointing a proxy will not prevent you from personally attending and voting at the meeting (in substitution for your proxy vote) if you subsequently decide to do so. If no name is entered on this form, the return of this signed form will authorise the chair of the meeting to act as your proxy.
2. You may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please return a separate form for each proxy, clearly indicating next to the name of each proxy the number and class of shares for which he or she is appointed. If you submit more than one valid proxy appointment for the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
3. To direct your proxy how to vote on the resolutions, please mark the appropriate box next to each resolution with an "X". If no voting instruction is given, your proxy will vote or abstain from voting as he or she sees fit in his or her absolute discretion for each resolution and any other matter which is put before the meeting.
4. In the case of:
 - 4.1 an individual, this proxy form must be signed by the relevant Member appointing the proxy or a duly appointed attorney on behalf of that Member; and
 - 4.2 a corporation, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company.
5. To be valid, any form of proxy or other instrument appointing a proxy, must be returned by no later than 10 a.m. on 12 April 2019 (being not less than 48 hours before the time appointed for the meeting excluding non-working days) through any one of the following methods:
 - 5.1 by post, courier or (during normal business hours only) hand to the Company's registrar at:
Link Asset Services
PXS1
34 Beckenham Road
Beckenham
BR3 4ZF
 - 5.2 in the case of shares held through CREST, via the CREST system (see notes below).
6. Any power of attorney or any other authority under which this proxy form is signed (or a certified copy of that power or authority) must be included with the proxy form.
7. Any alteration to this proxy form must be initialled by the person in whose hand it is signed or executed.
8. If, after returning a duly completed proxy form, you wish to revoke your proxy appointment you must sign and date a notice clearly stating your intention to revoke that proxy appointment and deposit it at Link Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF no later than 10 a.m. on 12 April 2019 (being not less than 48 hours before the time appointed for the meeting excluding non-working days).
9. In the case of joint holders:
 - 9.1 where more than one of the joint holders seeks to appoint a proxy, only the appointment submitted by the most senior holder will be accepted; and
 - 9.2 the vote of the most senior holder who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of all other joint holders.

Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members (**Register of Members**) for the joint holding (the first-named being the most senior).
10. The right to vote at the meeting shall be determined by reference to the Register of Members of the Company. Only those persons whose names are entered on the Register of Members of the Company at close of trading on 12 April 2019 (being not more than 48 hours before the time fixed for the meeting excluding non-working days) shall be entitled to attend and vote for the number of shares registered in their names at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

APPENDIX 3

TERMS AND CONDITIONS OF THE PLACING (“TS & CS”)

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING

1 Introduction

Unless the context requires otherwise, words and expressions defined in the Draft Listing Document (as defined in the next paragraph) and in the ‘Definitions’ section of these Ts & Cs shall bear the same meanings (as so defined) whenever used in these Ts & Cs.

These Ts & Cs are addressed only to the potential Placees to which either of the Company or Joint Bookrunners have sent an unfinished version of the listing document relating to the Company and the Placing headed ‘DRAFT LISTING DOCUMENT’ (the “Draft Listing Document”), and any contract entered into by a Placee in connection with the Placing will be entered into solely on the terms and conditions stated in these Ts & Cs and in the course of the provision to the Company by Zeus Capital of services comprising “regulated activities” within the meaning of the rules of the FCA, by which Zeus Capital is authorised to carry out regulated activities (as required by FSMA), and the provision to the Company by Ravenscroft Limited of services comprising “controlled investment business” within the meaning of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, by which Ravenscroft Limited is authorised to carry out controlled investment business.

By participating in the Placing, a Placee will be deemed to have read and understood these Ts & Cs in their entirety, to be participating in the Placing and making an offer for and acquiring Placing Shares solely on the terms and conditions contained in these Ts & Cs and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in these Ts & Cs.

An investment in the Placing Shares is subject to a number of risks. Before making an investment decision with respect to the Placing Shares, prospective investors should carefully consider the risks associated with an investment in the Company, the Company’s and Heatseam’s respective businesses and the industries in which the Company and Heatseam respectively operate, in addition to all of the information (including, but not limited to, the “Risk Factors”) set out in the final and published version of the listing document relating to the Company and the Placing (“**Final Listing Document**”) and that which is lawfully publicly available.

EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES. THE PRICE OF SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES. THE DISTRIBUTION OF THE DRAFT LISTING DOCUMENT, THE FINAL LISTING DOCUMENT AND ANY OTHER DOCUMENT RELATING TO THE PLACING, ANY PART OF ANY OF THEM OR ANY INFORMATION CONTAINED IN ANY OF THEM MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS DOCUMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

All information in the Draft Listing Document is directed only at persons (“**FSMA Qualified Investors**”) who are either “qualified investors” (as referred to in section 86(7) of FSMA) or are persons at or to whom any private communication relating to the Company that is a “financial promotion” (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an “authorised person” (as referred to in FSMA).

All offers of Placing Shares will be made pursuant to an exemption under Directive (2017/1129 to the extent implemented, and including any relevant implementing measure, in the relevant member state of the European Economic Area (“**EEA**”)) (“**Prospectus Directive**”) from the requirement to produce a prospectus for offers of the Placing Shares.

Members of the public are not eligible to take part in the Placing. The Placing (together with any communications in relation to the Placing, including these Ts & Cs) is directed only at Placees who are:

(a) persons in a member state of the EEA which has implemented the Prospectus Directive (a “**Relevant Member State**”) under the following exemptions under the Prospectus Directive, only if and to the extent they have been implemented in that Relevant Member State: (i) to any legal entity which is a “**Qualified Investor**” as defined in the Prospectus Directive; (ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than Qualified Investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or (iii) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive; and (b) (i) investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (“**Order**”); (ii) high net worth companies, unincorporated associations and other persons falling within article 49(2)(a) to (d) of the Order; or (iii) persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as “**Relevant Persons**”).

The Placing (together with any communications in relation to the Placing, including these Ts & Cs) must not be acted on or relied on by persons who are not Relevant Persons. Any investment, controlled investment, investment activity or controlled activity to which these Ts & Cs relate is available only to Relevant Persons and must be engaged in only with Relevant Persons.

2 Placing

Each of the Joint Bookrunners is acting as the Company’s agent in respect of the Placing. The Joint Bookrunners shall determine the extent of each Placee’s participation in the Placing, which will not necessarily be the same for each Placee. No commissions will be paid to or by Placees in respect of their agreement to subscribe for any Placing Shares.

Each Placee will be required to pay to the Relevant Bookrunner (as defined below), on the Company’s behalf as respective agents, the Placing Price as the subscription sum for each Placing Share for which it is required to subscribe in accordance with the terms set out or referred to in these Ts & Cs. Each Placee’s obligation to subscribe and pay for Placing Shares under the Placing will be owed to each of the Company and each Joint Bookrunner. Each Placee will be deemed to have read the Draft Listing Document, the Final Listing Document and these Ts & Cs in their entirety. Neither of the Joint Bookrunners nor any other Broker Person will have any liability (subject to applicable legislation and regulations) to any Placee or to any person other than the Company in respect of the Placing.

Various dates referred to in the Draft Listing Document or the Final Listing Document are or will be stated on the basis of the expected timetable for the Placing. It is possible that some of these dates may be changed, other than the Long Stop Date referred to below. The expected date for Admission is 18 April 2019 and, in any event, the latest date for Admission is 30 April 2019 (“**Long Stop Date**”). Placees should note that it is possible that Admission may not occur, either for contractual or other reasons.

Placees’ commitments in respect of Placing Shares will be made solely on the basis of the information contained in the Draft Listing Document and on the terms contained or referred to in these Ts & Cs. No prospectus is required to be published, or has been or shall be published, in relation to the Placing or the Placing Shares.

A Joint Bookrunner has provided the Placee with the Draft Listing Document. It is not expected that the contents of the Final Listing Document will differ materially from the Draft Listing Document. Placees will be notified of any changes incorporated in the Final Listing Document which the Joint Bookrunners consider are, or may be, material. The Final Listing Document is expected to be issued on or about 18 April 2019.

3 Participation and settlement

Participation in the Placing is only available to persons who are invited to participate in it by the Company or either of the Joint Bookrunners.

A Placee’s commitment to subscribe for a fixed number of Placing Shares under the Placing (“**Placing Participation**”) will be agreed orally (or, if agreed previously, may be confirmed orally) with either of the Joint Bookrunners (“**Relevant Bookrunner**”) on or before the time on which the Impact Announcement is made. Such agreement will constitute a legally binding commitment on such Placee’s part to subscribe for that number of Placing Shares at the Placing Price on the terms and subject to the conditions set out or referred

to in these Ts & Cs and subject to the Company's articles of association. After such agreement is entered into, contract notes will be dispatched to such Placee by the Relevant Bookrunner stating (i) the number of Placing Shares for which such Placee has agreed to subscribe, (ii) the aggregate amount such Placee will be required to pay for those Placing Shares, (iii) relevant settlement information and (iv) settlement instructions. A settlement instruction form will be included in each contract note and, on receipt, should be completed and returned by the date and time stated in it. In relation to a Placee's allocation (if any) of Placing Shares as referred to above, such allocation will represent a maximum number of Placing Shares which it will be entitled, and required, to acquire or subscribe for, and it may be called upon to acquire or subscribe for a lower number of Placing Shares (if any), but in no event in aggregate a number which is greater than the aforementioned maximum. Admission shall occur if all conditions to the Placing are satisfied. It is possible that Admission never occurs.

Settlement of transactions in the Placing Shares will take place within the CREST system, subject to certain exceptions, on a "delivery versus payment" (or "**DVP**") basis. The Joint Bookrunners reserve the right to require settlement for and/or delivery to any Placee of any Placing Shares by such other means as they deem appropriate if delivery or settlement is not possible or practicable within the CREST system within the timetable to be set out in the Final Listing Document or would not be consistent with the regulatory requirements in any Placees' jurisdiction.

A Placee whose Placing Shares are to be delivered to a custodian or settlement agent should ensure that the written confirmation is copied and delivered promptly to the appropriate person within that organisation.

By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not otherwise be capable of rescission or termination by the Placee.

To the fullest extent permissible by law, neither Joint Bookrunner nor any of their respective affiliates nor any of their respective affiliates' agents, directors, officers or employees shall have any liability to any Placee (or to any other person, whether acting on behalf of a Placee or otherwise) in respect of the Placing or Admission.

4 Placing Agreement

Subject to them having received legally binding commitments in respect of the Placing Shares, or otherwise being satisfied in their absolute discretion with the level of take up pursuant to the Placing, the Joint Bookrunners will enter into the Placing Agreement with the Company under which each of the Joint Bookrunners would agree on a conditional basis to use their respective reasonable endeavours as the Company's agents to procure subscribers at the Placing Price for all Placing Shares.

5 Placing conditions

The obligations of the Joint Bookrunners under the Placing Agreement would be conditional, amongst other things, on:

- (a) the Placing Shares having been allotted, subject only to Admission;
- (b) the Acquisition Agreement having become unconditional in all respects, save in respect of Admission;
- (c) none of the warranties in the Placing Agreement being untrue, inaccurate or misleading at the date of this agreement and none of the warranties having ceased to be true and accurate or having become misleading at any time following the date of this agreement up to and including the time of Admission with reference to the facts and circumstances which then exist;
- (d) all resolutions being passed at the general meeting of the Company to be held on 16 April 2019;
- (e) Admission occurring not later than 18 April 2019 (or such later date for Admission as may be agreed in writing between the Company and each Joint Bookrunner), being not later than the Long Stop Date;
- (f) prior to Admission, there having been no material adverse change; and
- (g) the Company having complied with all of its obligations and having satisfied all conditions to be satisfied by it under the Placing Agreement which fall to be performed or satisfied on or prior to Admission,

(all conditions to the obligations of the Joint Bookrunners included in the Placing Agreement being together, “**conditions**”).

Both Joint Bookrunners are entitled, each in their absolute discretion and upon such terms as each thinks fit, to waive fulfilment, or extend the time for satisfaction, of certain of the conditions in the Placing Agreement, save that the condition relating to issue of the Placing Shares (referred to above) may not be waived. Any such waiver or extension will not affect a Placee’s commitments as set out in these Ts & Cs, so long as the Placee’s commitment is not extended beyond the Long Stop Date.

If any of the conditions set out in the Placing Agreement are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and the Joint Bookrunners may agree), or the Placing Agreement is terminated in accordance with its terms (as to which, see the ‘Termination of the Placing’ section below), the Placing will lapse and the Placees’ rights and obligations shall cease and determine at such time and each Placee agrees that no claim may be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its offer to acquire or subscribe for Placing Shares is irrevocable and, to the fullest extent permitted by law, its rights and obligations will cease and terminate only in the circumstances described above and in the ‘Termination of the Placing’ section below, and will not be capable of rescission or termination by it in any circumstance, except in the case of fraud.

Neither Joint Bookrunner nor any of their respective affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person, whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or extend the time for satisfaction of any condition nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally or as to the termination of the Placing Agreement and, by participating in the Placing, each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners and the Company, so long as the Placee’s commitment is not extended beyond the Long Stop Date.

6 Termination of the Placing

Zeus Capital may, in its discretion, terminate the Placing Agreement and Ravenscroft may, in its discretion, terminate all of its rights and obligations under the Placing Agreement at any time before Admission in certain circumstances, including (amongst other circumstances) in the event of:

- (a) any statement contained in the Final Listing Document becomes untrue, inaccurate, incomplete in any material respect or misleading or any matter arises which constitutes an omission from the Final Listing Document;
- (b) a material adverse change occurs;
- (c) a material breach by the Company of any of its obligations under the Placing Agreement or any applicable law or regulation in respect of the Placing and/or Admission;
- (d) a material breach of any provision of the Acquisition Agreement by any party to it,

the above sub-paragraphs being a summary of more detailed provisions of the Placing Agreement, and those provisions therefore having precedence over those sub-paragraphs for the purposes of these Ts & Cs.

A Joint Bookrunner will keep Placees informed if:

- (a) the Joint Bookrunners (acting together) terminate the Placing Agreement; or
- (b) the Joint Bookrunners’ obligations under the Placing Agreement do not become unconditional by the Long Stop Date.

If the conditions in the Placing Agreement are not fulfilled (or waived (if capable of waiver)), or the Placing Agreement is otherwise terminated in accordance with its terms, on or before the Long Stop Date, the Placee’s obligations will cease.

Following Admission, the Placing Agreement is not capable of termination to the extent it relates to the Placing of the Placing Shares.

7 Placees' warranties and undertakings to the Company and the Joint Bookrunners

By agreeing with either of the Joint Bookrunners as agents of the Company to subscribe for Placing Shares under the Placing, a Placee (and any person acting on a Placee's behalf) hereby irrevocably acknowledges and confirms and warrants and undertakes to, and agrees with, each of the Company and each of the Joint Bookrunners, in each case as a fundamental term of such Placee's application for Placing Shares and of the Company's obligation to allot and/or issue any Placing Shares to it or at its direction, that:

- (a) it has read and understood these Ts & Cs in their entirety, acknowledges that its participation in the Placing will be governed by the terms of these Ts & Cs and agrees to and accepts all the terms set out and referred to in these Ts & Cs;
- (b) in accordance with these Ts & Cs, the articles of association of the Company and the Final Listing Document, the Placee irrevocably agrees to subscribe, and pay in full, for the number of Placing Shares comprised in its Placing Participation at the Placing Price and that it has the available funds to pay for its Placing Participation as and when due;
- (c) in relation to a Placee's allocation (if any) of Placing Shares, such allocation will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that it may be called upon to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
- (d) its rights and obligations in respect of the Placing will terminate only in the circumstances referred to in these Ts & Cs and will not be subject to rescission or termination by it in any circumstances;
- (e) the Draft Listing Document and the Final Listing Document, which are or will be issued by the Company, are within the sole responsibility of the Company and neither Joint Bookrunner nor any of their respective affiliates nor any person acting on their behalf will be responsible for, or shall have liability for, any information, representation or statement contained in the Draft Listing Document or the Final Listing Document;
- (f) to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in these Ts & Cs;
- (g) it has not been, and will not be, given any warranty or representation in relation to the Placing Shares or to the Company or to any other member of the Enlarged Group in connection with the Placing, other than (i) by the Company as included or referred to in these Ts & Cs, and (ii) by the Company to the effect that, at the time that such Placee enters into a legally binding commitment to subscribe for Placing Shares pursuant to the Placing, the Company will not then be in breach of its obligations under the TISEA Listing Rules or under the EU Market Abuse Regulation (596/2014) to disclose publicly in the correct manner all such information as is then required to be so disclosed by the Company;
- (h) it has not relied on any representation or warranty in reaching its decision to subscribe for Placing Shares under the Placing, save as given or made by the Company as referred to in the previous paragraph;
- (i) it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting its Placing Participation and has consulted such financial, tax, legal and other advisers as it deems appropriate;
- (j) it is intended that the Placing Shares will be admitted to TISE, and the Company would therefore be required to publish certain business and financial information in accordance with the rules and practices of the TISEA and that the Placee is able to obtain or access the information without undue difficulty;
- (k) neither Joint Bookrunner nor any of their respective affiliates nor any person acting on their behalf has provided it, and will not provide it, with any material or information regarding the Placing Shares or the Company, nor has it requested that either Joint Bookrunner, any of their respective affiliates or any person acting on their behalf provide it with any such material or information;
- (l) it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;

- (m) in respect of its Placing Participation, neither Joint Bookrunner is making any recommendations to or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing or otherwise;
- (n) it is not a client of either of the Joint Bookrunners in relation to the Placing, neither of the Joint Bookrunners is acting for it in connection with the Placing and neither of the Joint Bookrunners will be responsible to it in respect of the Placing for providing protections afforded to its respective clients;
- (o) the Joint Bookrunners will not treat any payment by a Placee pursuant to these Ts & Cs as “client money” governed by the FCA’s Conduct of Business Source Book;
- (p) the only information on which it has relied in committing itself to acquire Placing Shares is contained in the Final Listing Document or in these Ts & Cs;
- (q) it has not been, and will not be, given any warranty or representation by any Broker Person in relation to any Placing Shares, the Company or any other member of the Enlarged Group and no Broker Person will have any liability to it for any information to be contained in the Draft Listing Document or the Final Listing Document or which has otherwise been published by the Company or for any decision by it to participate in the Placing based on any such information or on any other information provided to it;
- (r) it will pay the full subscription sum at the Placing Price as and when required in respect of all Placing Shares for which it is required to subscribe under its Placing participation and will do all things necessary on its part to ensure that payment for such shares and their delivery to it or at its direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that it has, or puts, in place with the Relevant Bookrunner;
- (s) it is permitted to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it and it has complied, and will fully comply, with all such laws (including, where applicable and without limitation, the Criminal Justice Act 1993, the Market Abuse Regulation (EU) No. 596/2014, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such subscription, and it will provide promptly to the Relevant Bookrunner such evidence, if any, as to the identity or location or legal status of any person which the Relevant Bookrunner may request from it in connection with the Placing (for the purpose of complying with any such laws or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Relevant Bookrunner on the basis that any failure by it to do so may result in the number of Placing Shares that are to be allotted and/or issued to it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Joint Bookrunners may decide;
- (t) it has complied and will comply with all applicable provisions of FSMA with respect to anything done or to be done by it in relation to any Placing Shares in, from or otherwise involving the United Kingdom and it has not made or communicated or caused to be made or communicated, and it will not make or communicate or cause to be made or communicated, any “financial promotion” in relation to Placing Shares in contravention of section 21 of FSMA;
- (u) it is a “Relevant Person” (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (v) in the case of a Relevant Person in a Relevant Member State (as defined above) who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor (as defined above); and
 - (b) in the case of any Placing Shares acquired by it as a “financial intermediary”, as that term is used in Article 3(2) of the Prospectus Directive, the Placing Shares acquired by it in the Placing are not being acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons (A) in circumstances which may give rise to an offer of shares to the public or (B) in any Relevant Member State, other than to Qualified Investors or other than in circumstances in which the prior consent of either of the Joint Bookrunners has been given to the offer or resale;
- (w) it is acting as principal only in respect of the Placing or, if it is acting for any other person (i) it is duly authorised to do so, (ii) it is and will remain liable to the Company and/or Ravenscroft and/or Zeus Capital for the performance of all its obligations as a Placee in respect of the Placing (regardless

of the fact that it is acting for another person), (iii) it is either (i) both an “authorised person” for the purposes of FSMA and a “qualified investor” as defined at Article 2.1(e)(i) of Directive 2003/71/EC (known as the Prospectus Directive) acting as agent for such person or (ii) a member or employee of the Company or a subsidiary of it, and (iv) such person is (1) a FSMA Qualified Investor, (2) its “client” (as defined in section 86(2) of FSMA) or that has engaged it to act as his agent on terms which enable it to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him or (3) a member or employee of the Company or a subsidiary of it;

- (x) if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and full power and authority to make the confirmations, agreements, representations, warranties, acknowledgements and undertakings contained in these Ts & Cs on behalf of each such account;
- (y) it understands (or, if acting for the account of another person, such person understands) the resale and transfer restrictions set out in these Ts & Cs and it is subscribing for or purchasing Placing Shares for investment only and not for resale or distribution;
- (z) it represents and warrants that the allocation, allotment, issue and delivery to the Placee, or the person specified by the Placee for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance system;
- (aa) as a result of the issue of Placing Shares to the Placee, it is liable for any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable by it or any other person on the acquisition by it of any Placing Shares or the agreement by it to acquire any Placing Shares;
- (bb) in accepting its Placing Participation, it irrevocably appoints any director or employee of the Relevant Bookrunner or the Company as its agent for the purpose of executing and delivering to the Company and/ or its registrars any document on its behalf necessary to enable the Placee to be registered as the holder of Placing Shares comprised in its Placing Participation or to complete the subscription for such Placing Shares on the Placee’s behalf in the circumstances referred to earlier;
- (cc) the Placing Shares will be issued subject to the terms and conditions set out in these Ts & Cs;
- (dd) with the exception of the rights of the Company (for whom each Joint Bookrunner is acting as agent), no term or condition of these Ts & Cs is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person other than the Placee and each Joint Bookrunner;
- (ee) nothing has been done or will be done by it in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with FSMA or the Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- (ff) it will not treat any Placing Shares in any manner that would contravene any legislation applicable in any territory or jurisdiction and no aspect of its participation in the Placing will contravene any legislation applicable in any territory or jurisdiction in any respect or cause the Company and/or Zeus Capital and/or Ravenscroft to contravene any such legislation in any respect;
- (gg) it acknowledges that (i) none of the Placing Shares have been or will be registered under the US Securities Act of 1933, as amended, or under the securities laws of any state of or other jurisdiction within the United States, (ii) subject to certain exceptions, Placing Shares may not be offered or sold, resold or delivered, directly or indirectly, into or within the United States, (iii) subject to certain exceptions, it has not offered, sold or delivered and will not offer, sell or deliver any of the Placing Shares to persons within the United States, directly or indirectly, (iv) it will not be subscribing for Placing Shares with a view to resale in or into the United States and (v) it will not distribute the Draft Listing Document, the Final Listing Document or any offering or other material relating to Placing Shares, directly or indirectly, in or into the United States or to any persons resident in the United States;
- (hh) none of the Placing Shares has been or will be registered under the relevant securities laws of Canada, Australia, Japan or the Republic of South Africa. In respect of the Placing, (i) the Placing Shares may not be offered, sold, taken up or delivered, directly or indirectly, to or by the Placee unless (A) it is not in Canada, Australia, Japan or the Republic of South Africa and (B) it is not a citizen of Canada,

Australia, Japan or the Republic of South Africa, (ii) it has not offered, sold or delivered and will not offer, sell or deliver any part of its Placing Participation to persons in Canada, Australia, Japan or the Republic of South Africa, (iii) it is not taking up any part of its Placing Participation for resale in or into Canada, Australia, Japan or the Republic of South Africa and (iv) it will not distribute any offering material in connection with the Placing (including, but not limited to, the Draft Listing Document and the Final Listing Document), directly or indirectly, in or into or from Canada, Australia, Japan or the Republic of South Africa or to any persons resident in such countries;

- (ii) either of the Joint Bookrunners may itself agree to become a Placee in respect of some or all of the Placing Shares or by nominating any other relevant Broker Person or any person associated with any Broker Person to do so;
- (jj) time is of the essence as regards its obligations under these Ts & Cs;
- (kk) these Ts & Cs and any contract which may be entered into between it and Zeus Capital and/or Ravenscroft and/or the Company pursuant to these Ts & Cs or the Placing, and all non-contractual obligations arising between such Placee and Zeus Capital and/or Ravenscroft and/or the Company in respect of the Placing, will be governed by and construed in accordance with the laws of England, for which purpose it submits (for itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute, or matter arising out of or relating to these Ts & Cs or such contract, except that each of the Company and each of the Joint Bookrunners will have the right to bring enforcement proceedings in respect of any judgment obtained against such Placee in the English courts or in the courts of any other relevant jurisdiction;
- (ll) it is not a person who has a registered address in, and is not a resident, citizen or national of, a country or countries, in which it is unlawful to make or accept an offer to subscribe for or purchase (as the case may be) Placing Shares;
- (mm) it has not, and will not, distribute or publish the Draft Listing Document, the Final Listing Document or any advertisement or other offering material in relation to Placing Shares directly or indirectly in, into or within Canada, Australia, Japan, the Republic of South Africa or any other jurisdiction where it would be a breach of law or regulation to do so;
- (nn) each right or remedy of the Company or Ravenscroft or Zeus Capital provided for in these Ts & Cs is in addition to any other right or remedy which is available to such person and the exercise of any such right or remedy in whole or in part will not preclude the subsequent exercise of any such right or remedy;
- (oo) any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to either of the Joint Bookrunners;
- (pp) nothing in these Ts & Cs will exclude any liability of any person for fraud on its part, and all times and dates in or referred to in the Draft Listing Document, the Final Listing Document or these Ts & Cs are subject to amendment at the discretion of the Joint Bookrunners, except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date;
- (qq) none of its rights or obligations in respect of the Placing is conditional on any other person agreeing to subscribe for any Placing Shares under the Placing and no failure by any other Placee to meet any of its obligations in respect of the Placing will affect any of its obligations in respect of the Placing;
- (rr) it agrees to indemnify and hold harmless the Company, each Joint Bookrunner and their respective affiliates from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the confirmations, agreements, representations, warranties, acknowledgements and undertakings in these Ts & Cs and further it agrees that the provisions of these Ts & Cs shall survive after completion of the Placing; and
- (ss) the Company, the Joint Bookrunners and others will rely upon the truth and accuracy of the foregoing confirmations, agreements, representations, warranties, acknowledgements and undertakings.

8 Payment default

A Placee's entitlement to receive any Placing Shares under the Placing will be conditional on the Relevant Bookrunner's receipt of payment in full for such shares by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as the Relevant Bookrunner may determine,

and otherwise in accordance with that confirmation's terms. The Relevant Bookrunner may waive this condition, and will not be liable to any Placee for any decision to waive it or not.

If any Placee fails to make such payment by the required time for any Placing Shares, (1) the Company may release itself, and (if it decides to do so) will be released from, all obligations it may have to allot and/or issue any such Placing Shares to such Placee or at its direction which are then unallotted and/or unissued, (2) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the full extent permitted under its articles of association or by law and to the extent that such Placee then has any interest in or rights in respect of any such shares, (3) the Company or, as applicable, Ravenscroft and/or Zeus Capital may sell (and each of them is irrevocably authorised by such Placee to do so) all or any of such shares on such Placee's behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, Ravenscroft and/or Zeus Capital (i) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares and (ii) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale, and (4) such Placee will remain liable to the Company and to Ravenscroft and/or Zeus Capital for the full amount of any losses and of any costs which it may suffer or incur as a result of it (i) not receiving payment in full for such Placing Shares by the required time, and/or (ii) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by Ravenscroft and/or Zeus Capital for value by the required time referred to above at the rate of two percentage points above the base rate of Barclays Bank plc.

9 Overseas jurisdictions

The distribution of the Draft Listing Document, the Final Listing Document and these Ts & Cs and the offering and/or issue of shares pursuant to the Placing in certain jurisdictions is restricted by law. Persons who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, the Draft Listing Document, the Final Listing Document and these Ts & Cs do not constitute or form part of any offer or invitation, or a solicitation of any offer or invitation, to subscribe for or acquire or sell or purchase or otherwise deal in Ordinary Shares in Canada, Japan, Australia or the Republic of South Africa or in any other jurisdiction in which any such offer, invitation or solicitation is or would be unlawful.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended, or under the securities laws of any state of or other jurisdiction within the United States, and, subject to certain exceptions, may not be offered or sold, resold or delivered, directly or indirectly, in or into the United States. No public offering of the Placing Shares is being or will be made in the United States.

The Placing Shares have not been and will not be registered or qualified for offer and sale nor will a prospectus be cleared in respect of any of the Placing Shares under the securities laws or legislation of Canada, Japan, Australia or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, delivered or transferred, directly or indirectly, within those jurisdictions.

10 Placing Shares

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares.

DEFINITIONS

“Broker Person”	any person being (i) either of the Joint Bookrunners, (ii) an undertaking which is a subsidiary undertaking of either of the Joint Bookrunners, (iii) a parent undertaking of either of the Joint Bookrunners or a subsidiary undertaking of any such parent undertaking or (iv) a director, officer, agent or employee of any such person;
“EU”	the European Union;
“Impact Announcement”	the Company's proposed regulatory announcement of, amongst other things, the Placing;
“Joint Bookrunners”	Ravenscroft and Zeus Capital and "Joint Bookrunner" means either of them;
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company;
“Placees”	the persons who agree to subscribe for Placing Shares.

