

**ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES (“AIM RULES”)**

COMPANY NAME:

Sportech plc (“Sportech”)

COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :

Collins House  
Rutland Square  
Edinburgh  
EH1 2AA

COUNTRY OF INCORPORATION:

United Kingdom (Scotland)

COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:

<https://www.sportechplc.com/>

COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING POLICY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:

**Description:**

The business of the Group and its principal activity is the operation of an exclusive retail pari-mutuel wagering business, principally in Connecticut, USA; an online pari-mutuel retail wagering platform and the provision of B2B lottery services.

**Divisional split:**

***Sportech Venues***

*(37% of revenue in FY20)*

The operator of legal pari-mutuel betting on horseracing, greyhound racing and Jai alai in the State of Connecticut under an in perpetuity licence, Sportech Venues offers online, mobile, call centre and retail betting with venues located across major population centres.

Key locations within the network offer food and beverage services in premium restaurant and sports bar environments.

Sportech Venues offers omni-channel betting entertainment through 12 physical retail locations and an online platform, [www.mywinners.com](http://www.mywinners.com), and holds the right to

expand to up to 24 physical locations.

### **Sportech Lottery**

*(6% of revenue in FY20)*

Sportech Lottery is a supplier of technology solutions to the global regulated Lottery industry.

Sportech's proprietary Lottery platforms have been servicing Lottery clients for over 24 years. Lottery handle totals for 2020 were significantly impacted by COVID-19 related closures.

Sportech Lottery's clients include the Dominican Republic's Loteria Electronica Internacional Dominicana (LEIDSA).

### **Discontinued activities**

*(56% of revenue in FY20)*

The Group has recently completed the disposals of the 'Global Tote' and 'Bump 50:50' parts of its business which will therefore not be part of the Group on the Company's admission to AIM ("Admission").

**DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):**

188,751,257 ordinary shares of 20 pence each ("Ordinary Shares").

There are no restrictions on transferability of the Ordinary Shares.

No Ordinary Shares are currently held, or will be held, in treasury on Admission.

All Ordinary Shares in the capital of the Company are registered and may be held in either certificated or uncertificated form.

**CAPITAL TO BE RAISED ON ADMISSION (AND/OR SECONDARY OFFERING) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:**

There is no capital to be raised on Admission.

Based on the share price of 30.6 pence (as at close of business on the day immediately prior to the date of this document), the anticipated market

capitalisation of the Company on Admission would be c.£58 million.

**PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:**

The anticipated proportion of shares not in public hands on Admission is c.41%.

**DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM SECURITIES (OR OTHER SECURITIES OF THE COMPANY) ARE OR WILL BE ADMITTED OR TRADED:**

N/A

**FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):**

Giles Edwin Vardey (Non-Executive Chairman)  
Richard Anthony McGuire (Chief Executive Officer)  
Thomas ("Tom") Joseph Hearne (Chief Financial Officer)  
Benjamin ("Ben") Richard Warn (Non-Executive Director)

**FULL NAMES AND HOLDINGS OF SIGNIFICANT SHAREHOLDERS EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):**

As far as the Company is aware, the significant shareholders of the Company as at 29 June 2021 and their respective interests in the Company's share capital both prior to and on Admission are:

| <b>Shareholder</b>                                    | <b>% of Sportech pre-Admission</b> | <b>% of Sportech on Admission</b> |
|---|------------------------------------|-----------------------------------|
| Lombard Odier Asset Management (Europe) Ltd           | 29.10                              | 29.10                             |
| North Atlantic Smaller Companies Investment Trust PLC | 11.66                              | 11.66                             |
| Mr <u>Richard</u> Griffiths and entities              | 9.86                               | 9.86                              |
| Artemis Investment Management LLP                     | 6.66                               | 6.66                              |
| Oryx International Growth Fund                        | 5.30                               | 5.30                              |
| Schroder Investment Management                        | 4.67                               | 4.67                              |

|   |  |      |
|---|--|------|
| HSBC Securities   | 4.66   | 4.66 |
| Bank of America Merrill Lynch   | 4.46   | 4.46 |
| Spreadex Ltd  | 3.34   | 3.34 |
| Citigroup   | 3.26   | 3.26 |
| <i>Directors</i>  |  |      |
| <u>Richard</u> Anthony McGuire  | 0.58   | 0.58 |
| Thomas (" <u>Tom</u> ") Joseph Hearne   | 0.01   | 0.01 |
| <i>Includes voting rights through financial instruments</i>   |  |      |
| NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES: |  |      |
| Newmark Knight Frank  |  |      |
| McMillan LLP  |  |      |
| (i)   | ANTICIPATED ACCOUNTING REFERENCE DATE  |      |
| (ii)  | DATE TO WHICH THE <u>MAIN FINANCIAL INFORMATION</u> IN THE ADMISSION DOCUMENT HAS BEEN PREPARED (this may be represented by unaudited interim financial information) |      |
| (iii)   | DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:  |      |
| (i)   | 31 December  |      |
| (ii)  | N/A – existing issuer transferring to AIM from the Official List   |      |
| (iii)   | 30 September 2021 (interim results for the 6 months ended 30 June 2021)  |      |
|   | 30 June 2022 (annual results for the 12 months ended 31 December 2021)   |      |
|   | 30 September 2022 (interim results for the 6 months ended 30 June 2022)  |      |
| EXPECTED ADMISSION DATE:  |  |      |
| 28 July 2021  |  |      |

**NAME AND ADDRESS OF NOMINATED ADVISER:**

Peel Hunt LLP  
100 Liverpool Street  
London  
EC2M 2AT

**NAME AND ADDRESS OF BROKER:**

Peel Hunt LLP  
100 Liverpool Street  
London  
EC2M 2AT

**OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:**

N/A – Quoted Applicant

**THE CORPORATE GOVERNANCE CODE THE APPLICANT HAS DECIDED TO APPLY**

The UK Corporate Governance Code 2018 (as published by the Financial Reporting Council)

**DATE OF NOTIFICATION:**

30 June 2021

**NEW/ UPDATE:**

New

**QUOTED APPLICANTS MUST ALSO COMPLETE THE FOLLOWING:**

**THE NAME OF THE AIM DESIGNATED MARKET UPON WHICH THE APPLICANT'S SECURITIES HAVE BEEN TRADED:**

The Ordinary Shares were listed on the Premium segment of the FCA's Official List and traded on the London Stock Exchange's main market for listed securities.

**THE DATE FROM WHICH THE APPLICANT'S SECURITIES HAVE BEEN SO TRADED:**

The Company was previously named Rodime plc which was listed on the London Stock Exchange on 25 February 1986. Rodime plc was a cash shell latterly. The Company changed its name to Sportech plc and commenced trading as the business it is today on 5 September 2000.

**CONFIRMATION THAT, FOLLOWING DUE AND CAREFUL ENQUIRY, THE**

APPLICANT HAS ADHERED TO ANY LEGAL AND REGULATORY REQUIREMENTS INVOLVED IN HAVING ITS SECURITIES TRADED UPON SUCH A MARKET OR DETAILS OF WHERE THERE HAS BEEN ANY BREACH:

Sportech confirms, following due and careful enquiry, that it has adhered to the legal and regulatory requirements applicable to companies whose securities are admitted to listing on the FCA's Official List and to trading on the London Stock Exchange's main market for listed securities.

AN ADDRESS OR WEB-SITE ADDRESS WHERE ANY DOCUMENTS OR ANNOUNCEMENTS WHICH THE APPLICANT HAS MADE PUBLIC OVER THE LAST TWO YEARS (IN CONSEQUENCE OF HAVING ITS SECURITIES SO TRADED) ARE AVAILABLE:

<https://www.sportechplc.com/>

DETAILS OF THE APPLICANT'S STRATEGY FOLLOWING ADMISSION INCLUDING, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY:

The Group focuses on regulated markets worldwide and seeks to achieve long-term shareholder returns by leveraging Sportech's heritage, gaming licences, technologies, client relationships, investor engagement and smart capital deployment.

Strategic objectives for 2021 include:

1. Deliver significant capital return(s) to shareholders.
2. Strategically position to play our part in the State of Connecticut's expanded gaming initiative.
3. Evaluate and execute further corporate opportunities, delivering tangible investor returns.
4. Materially reduce the corporate cost base.
5. Assess organic and complimentary growth opportunities that deliver superior returns.

A DESCRIPTION OF ANY SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION OF THE APPLICANT, WHICH HAS OCCURRED SINCE THE END OF THE LAST FINANCIAL PERIOD FOR WHICH AUDITED STATEMENTS HAVE BEEN PUBLISHED:

There has been no significant change in the financial or trading position of Sportech since 31 December 2020, being the end of the last financial period for which audited financial statements have been published, save for the completion of the Global Tote Group disposal on 17 June 2021.

A STATEMENT THAT THE DIRECTORS OF THE APPLICANT HAVE NO REASON TO BELIEVE THAT THE WORKING CAPITAL AVAILABLE TO IT OR ITS GROUP WILL BE

INSUFFICIENT FOR AT LEAST TWELVE MONTHS FROM THE DATE OF ITS ADMISSION:

The Directors of Sportech have no reason to believe that the working capital available to the Company or its Group will be insufficient for at least twelve months from the date of Admission.

DETAILS OF ANY LOCK-IN ARRANGEMENTS PURSUANT TO RULE 7 OF THE AIM RULES:

N/A

A BRIEF DESCRIPTION OF THE ARRANGEMENTS FOR SETTLING THE APPLICANT'S SECURITIES:

Settlement will continue to be through the CREST system for Ordinary Shares held in uncertificated form. Shareholders can also deal based on share certificates.

A WEBSITE ADDRESS DETAILING THE RIGHTS ATTACHING TO THE APPLICANT'S SECURITIES:

<https://www.sportechplc.com/>

INFORMATION EQUIVALENT TO THAT REQUIRED FOR AN ADMISSION DOCUMENT WHICH IS NOT CURRENTLY PUBLIC:

Please see the Appendix to this Schedule One announcement and the delisting circular which are available at <https://www.sportechplc.com/>

A WEBSITE ADDRESS OF A PAGE CONTAINING THE APPLICANT'S LATEST ANNUAL REPORT AND ACCOUNTS WHICH MUST HAVE A FINANCIAL YEAR END NOT MORE THEN NINE MONTHS PRIOR TO ADMISSION AND INTERIM RESULTS WHERE APPLICABLE. THE ACCOUNTS MUST BE PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS PERMISSIBLE UNDER AIM RULE 19:

<https://www.sportechplc.com/>

THE NUMBER OF EACH CLASS OF SECURITIES HELD IN TREASURY:

None.

## **SPORTECH PLC**

*(incorporated and registered in Scotland with registered number SC069140)*

### **APPENDIX TO SCHEDULE ONE ANNOUNCEMENT**

#### **FURTHER INFORMATION RELATING TO SPORTECH PLC IN CONNECTION WITH THE PROPOSED ADMISSION OF ITS ORDINARY SHARES TO TRADING ON AIM**

This Appendix has been prepared in accordance with the requirements of Rule 2 of, and Schedule One (including the Supplement to Schedule One for a quoted applicant) to, the AIM Rules that, for a quoted applicant, all information that is equivalent to that required for an "admission document" which is not currently public shall be made public. Information which is public includes, without limitation, all information available in respect of the Company accessed at the London Stock Exchange (available at [www.londonstockexchange.com](http://www.londonstockexchange.com)), all information available in respect of the Company on the FCA's National Storage Mechanism (available at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>), all information available in respect of the Company at the website of Companies House at <https://www.gov.uk/government/organisations/companies-house>, all information available on the Company's website ([www.sportechplc.com](http://www.sportechplc.com)) and the contents of this Appendix (together comprising the "**Company's Public Record**").

Definitions used in this Appendix are set out on pages 4 – 7.

#### **AIM**

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA.**

**A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.**

**Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.**

**The London Stock Exchange has not itself examined or approved the contents of this document.**

#### **Nominated Adviser and Broker**

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as nominated adviser and corporate broker to the Company in connection with the proposed AIM Admission and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any

other person on the contents of this Appendix or in connection with the proposed AIM Admission. The responsibilities of Peel Hunt as the Company's nominated adviser under the AIM Rules and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of such person's decision to acquire shares in the Company in reliance on any part of this Appendix. Peel Hunt does not accept any responsibility whatsoever for the contents of this Appendix, and no representation or warranty, express or implied, is made by Peel Hunt with respect to the accuracy or completeness of this Appendix or any part of it. No representation or warranty, express or implied, is made by Peel Hunt as to any of the contents of this Appendix and Peel Hunt has not authorised the contents of any part of this Appendix and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Appendix or for the omission of any material information from this Appendix for which the Company and the Directors are solely responsible.

### **Responsibility**

The Company and the Directors, whose names and functions appear on page 3 of this Appendix, accept responsibility, individually and collectively, for the information contained in this Appendix including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Appendix, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE, AND ADVISERS**

|   |  |
|---|--|
| Directors                                       | Giles Vardey (Chairman)<br>Richard McGuire (Chief Executive Officer)<br>Thomas Hearne (Chief Financial Officer)<br>Ben Warn (Independent Non-executive Director) |
| Company Secretary                               | SGH Company Secretaries Limited<br>6th Floor<br>60 Gracechurch Street<br>London EC3V 0HR   |
| Registered office                               | Collins House<br>Rutland Square<br>Edinburgh EH1 2AA   |
| Corporate Broker and Proposed Nominated Adviser | Peel Hunt LLP<br>100 Liverpool Street<br>London EC2M 2AT   |
| Legal advisers to the Company                   | Dickson Minto W.S.<br>Broadgate Tower<br>20 Primrose Street<br>London EC2A 2EW   |
| Auditor and Reporting Accountant                | BDO LLP<br>55 Baker Street<br>London W1U 7EU   |
| Registrars                                      | Link Group<br>Central Square<br>29 Wellington Street<br>Leeds LS1 4DL  |

## DEFINITIONS

The definitions set out below apply throughout this document unless the context requires otherwise.

**"2018 Annual Report and Accounts"** means the Group's annual report and accounts for the year ended 31 December 2018;

**"2019 Annual Report and Accounts"** means the Group's annual report and accounts for the year ended 31 December 2019;

**"2020 Annual Report and Accounts"** means the Group's annual report and accounts for the year ended 31 December 2020;

**"2020 Circular"** means the circular dated 7 December 2020 published by the Company in relation to the disposal of the Global Tote Business;

**"2021 Circular"** means the circular dated 4 June 2021 published by the Company in relation to the Delisting and the AIM Admission;

**"AIM"** means AIM, a market operated by the London Stock Exchange;

**"AIM Admission"** means the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;

**"AIM Rules"** means the "AIM Rules for Companies", published by the London Stock Exchange from time to time;

**"Appendix"** means this document;

**"Articles of Association"** or **"Articles"** means the articles of association of the Company, as amended from time to time;

**"Board"** means the board of directors of the Company from time to time;

**"Bump 50:50 Business"** means the in-stadia web and mobile electronic lotteries supply business sold by the Group to Canadian Bank Note Company, Limited on 2 June 2021;

**"certificated"** or **"in certificated form"** means a share or other security which is not in uncertificated form (that is, not in CREST);

**"Companies Act"** means the Companies Act 2006, as amended, modified or re-enacted from time to time;

**"Company"** means Sportech plc, a company incorporated in Scotland with registered no. SC069140;

**"Company's Public Record"** has the meaning set out on page 1 of this Appendix;

"**Company's Website**" means www.sportechplc.com;

"**Covid-19**" means the disease caused by a novel strain of coronavirus;

"**CREST Regulations**" means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;

"**Delisting**" means the proposed cancellation of the listing of the Company's Ordinary Shares on the Official List and from trading on the London Stock Exchange's main market for listed securities;

"**Directors**" means the directors of the Company at the date of this document and "Director" means any one of them;

"**EBITDA**" means earnings before taxation, net financing costs, depreciation and amortisation;

"**Euroclear**" means Euroclear UK & Ireland Limited;

"**FCA**" or "**Financial Conduct Authority**" the Financial Conduct Authority of the United Kingdom or any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;

"**FSMA**" means the Financial Services and Markets Act 2000, as amended;

"**GDPR**" means the EU General Data Protection Regulation (EU) 2016/679;

"**General Principles**" means the principles set out within section B1 of the Takeover Code;

"**Global Tote Business**" means the pari-mutuel technology solutions and services business sold by the Group to Betmakers Technology Group Ltd on 17 June 2021.

"**Group**" means the Company together with its subsidiaries and subsidiary undertakings;

"**HMRC**" means HM Revenue & Customs;

"**IFRS**" means International Financial Reporting Standards as adopted for use by the EU;

"**London Stock Exchange**" means London Stock Exchange plc or its successor(s);

"**Nominated Adviser and Broker Agreement**" means the agreement dated 4 June 2021 entered into between the Company and Peel Hunt, details of which are set out in paragraph 11.1 of this Appendix;

"**Official List**" means the list maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;

**"Ordinary Shares"** means ordinary shares of 20 pence each in the capital of the Company;

**"Pounds"** or **"£"** or **"pound sterling"** means the lawful currency of the United Kingdom, or "pounds sterling";

**"Reference Date"** means 29 June 2021, the latest practicable date prior to publication of this document;

**"Registrar"** means Link Group of Central Square, 29 Wellington Street, Leeds LS1 4DL;

**"Registrar of Companies"** means the Registrar of Companies in Scotland;

**"Schedule One Announcement"** means the announcement by the Company pursuant to Rule 2 and Schedule One to the AIM Rules to Companies, to which this Appendix is attached, in connection with AIM Admission;

**"SDRT"** means stamp duty reserve tax;

**"Shareholder(s)"** means holder(s) of Ordinary Shares;

**"Statutes"** means the Companies Acts and every other statute and statutory instrument for the time being in force concerning companies and affecting the Company;

**"subsidiary"** has the meaning given in section 1159 of the Companies Act;

**"subsidiary undertaking"** has the meaning given in section 1162 of the Companies Act;

**"Takeover Code"** means the City Code on Takeovers and Mergers issued by the Takeover Panel, as amended from time to time;

**"Takeover Panel"** the Panel on Takeovers and Mergers;

**"uncertificated"** or **"in uncertificated form"** means a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST;

**"UK MAR"** means the UK version of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time; and

**"United Kingdom"** or **"UK"** means the United Kingdom of Great Britain and Northern Ireland.

## INFORMATION RELATING TO SPORTECH PLC

### 1. INFORMATION AND STATUS ON THE COMPANY

- 1.1. The Company was incorporated and registered in Scotland on 17 August 1979 with registered number SC069140 as a private limited company with the name 'Rodime plc'. The Company changed its name to 'Sportech PLC' on 15 September 2000.
- 1.2. The principal legislation under which the Company operates and which the Ordinary Shares have been, and will be, issued is the Companies Act and regulations made thereunder. The Company is a public limited company and, accordingly, the liability of its members is limited to the amount paid up or to be paid up on their shares.
- 1.3. The Company is domiciled in the United Kingdom.
- 1.4. The business of the Group and its principal activity is the operation of an exclusive retail pari-mutuel wagering business principally in Connecticut, USA and an online pari-mutuel retail wagering platform and the provision of B2B lottery services.
- 1.5. The legal entity identifier of the Company is 2138003BHYUQWAYGSK09.
- 1.6. The Company is the holding company for a number of subsidiaries, and the Group an investor in a number of joint ventures, details of which are set out in Note 32 (Related Undertakings) on pages 132 and 133 of the 2020 Annual Report and Accounts, which form part of the Company's Public Record. Pursuant to the sale of the Global Tote Business on 17 June 2021 and the Bump 50:50 Business on 2 June 2021, eBet Technologies Inc., Sportech Racing Canada Inc., Sportech Racing, LLC, Sportech Holdco 1 Limited, Datatote (England) Limited, Racing Technology Ireland Limited, Sportech France SAS, Sportech Racing Elektronik ve Bilgisayer Hizmetleri Sangayi Ticaret Limited Sirketi, Sportech Racing SAS, Autotote Europe GmbH and Sportech Racing GmbH have ceased to be members of the Group.

### 2. SHARE CAPITAL OF THE COMPANY

- 2.1. The Company does not have any authorised share capital and does not place any limit on the number of shares which the Company may issue.
- 2.2. The issued fully paid up share capital of the Company: (i) as at the Reference Date; and (ii) as it is expected to be immediately following AIM Admission, is 188,751,257 Ordinary Shares with an aggregate nominal value of £37,750,251.40.
- 2.3. All Ordinary Shares in the capital of the Company are created under the Companies Act, registered and may be held in either certificated or uncertificated form.
- 2.4. The ISIN for the Ordinary Shares is GB00B28ZPV64.
- 2.5. The Company's Ordinary Shares are currently admitted to listing on the FCA's Official List (premium listing segment) and to trading on the London Stock Exchange's Main Market, having first been so admitted on 25 February 1986. Application has been made to the

London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the Ordinary Shares will become effective and trading in the Ordinary Shares will commence on AIM on 28 July 2021 and that admission of the Ordinary Shares to listing on the FCA's Official List (premium listing segment) and to trading on the London Stock Exchange's Main Market will simultaneously be cancelled. The Ordinary Shares will not be admitted to trading on any other investment exchange.

- 2.6. Further information on the share capital of the Company is set out in the Company's Public Record.
- 2.7. Save for the awards and options granted by the Company under the VCP, as disclosed in the Company's Public Record, no person has any right to purchase the unissued share capital of the Company.

### **3. SHARE SCHEME OF THE COMPANY**

- 3.1. The Company operates the VCP. The VCP is a discretionary share plan. Under the VCP, the remuneration committee of the board of directors of the Company may, within certain limits and subject to any applicable performance conditions, grant to eligible employees (a) conditional awards (being a conditional right to acquire Ordinary Shares) and/or (b) options over Ordinary Shares and/or (c) restricted share awards which will allow the participant to acquire Ordinary Shares subject to the relevant performance conditions being met.
- 3.2. A summary of the VCP rules are set out in Appendix 2 of the 2017 Notice of the Annual General Meeting of the Company, which forms part of the Company's Public Record. The 2017 Notice of the Annual General Meeting of the Company may be accessed in the Investors section of the Company's Website.
- 3.3. Details of all outstanding options and awards granted under the VCP are set out on page 56 of the 2020 Annual Report and Accounts. No further options or awards have been granted in the period from 31 December 2020 to the Reference Date.

### **4. ARTICLES OF ASSOCIATION**

A summary of the principal provisions of the Articles is set out in this paragraph 4.

The Articles which will apply at and from Admission, were adopted by special resolution of the Company passed on 14 May 2013 and contain no specific restriction on the Company's objects and purposes. Set out below is a description of the most significant rights and provisions in those Articles. This does not purport to be a complete or exhaustive list of the rights and provisions in the Articles. There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

#### **4.1. Objects of the Company**

The Articles do not provide for any objects of the Company, and accordingly the Company's objects are unrestricted. The Articles also do not state any purposes for which the Company

was established and therefore the Company is able to undertake any activities permitted by Scots law.

#### **4.2. Limited liability**

The liability of the Company's members is limited to any unpaid amount on the Ordinary Shares held by them.

#### **4.3. Issue of shares and share rights**

Shares may be issued, subject to applicable laws, the Articles and without prejudice to any rights or privileges attached to any existing class of shares, with such rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if the Company has not so determined, as the Directors may determine. Subject to applicable laws, any share may be issued which is to be redeemed, or is liable to be redeemed at the option of the holder or the Company, on such terms and in such manner provided by the Articles or as the Company may determine in accordance with the Statutes. The Company may also issue any share with such preferred, deferred or other special rights or privileges as the Company may determine and purchase or enter into a contract to purchase any of the Company's own shares of any class.

#### **4.4. Distributions of assets on a winding-up**

On a winding-up, the liquidator may, with the authority of a special resolution of the Company and any other sanction required by law, divide among the members the whole or any part of the assets of the Company and may value any assets and determine how, subject to any special rights attached to any shares or the terms of issue thereof, the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, transfer any part of the assets of the Company to trustees on such trusts for the benefit of shareholders as he may determine. No shareholder shall be required to accept any asset in respect of which there is a liability.

#### **4.5. Modifications to share class rights**

If the Company's share capital is divided into shares of different classes, any rights attached to any class of shares may (subject to the provisions of the Statutes) be varied or abrogated in any manner, either with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such class of shares.

#### **4.6. Share transfers**

A Shareholder may transfer their certificated shares to another person by a written instrument of transfer in any usual form (or any other form approved by the Board) executed by or on behalf of the Shareholder and, in the case of a share which is not fully paid, by or on behalf of the transferee.

The Directors may refuse to register the transfer of a share which is in respect of a partly paid share, in favour of more than four joint transferees, or if the transfer document is not duly stamped or not delivered for registration with appropriate evidence of the transferor's title to the Company's registered office or its share registrars.

A Shareholder may transfer uncertificated shares by means of a relevant system. The Board may refuse to recognise any instrument of transfer relating to shares in uncertificated form in circumstances which are allowed or required by the CREST Regulations.

If title to a share passes to a transmittee, the Company may only recognise the transmittee as having title to that share. A transmittee may, upon supplying the Company with such evidence as the Board may reasonably require to show his title to the shares, choose to become the holder of shares or to have them transferred to another person, and, subject to the Articles, has the same rights as the holder had. Transmittees do not have the right to attend or vote at a general meeting in respect of shares to which they are entitled, unless they become the holder of those shares.

#### **4.7. Fractions**

In the event that any consolidation or sub-division of shares results in any Shareholder being entitled to fractions of shares, the Directors have the right to sell the shares representing the fractions for the best price reasonably obtainable to any person and distribute the net proceeds of sale in due proportion among those members.

#### **4.8. Dividends and other distributions**

There are no fixed dates on which a dividend entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders and fix the time for payment thereof, although the amount of the dividend cannot exceed the amount, or be paid at any earlier date than, recommended by the Directors. Subject to the rights attached to any shares or their terms of issue, dividends may be paid in any currency. In addition the Directors may pay interim dividends if justified by the profits of the Company available for distribution. A dividend payment to a Shareholder shall be calculated proportionately and paid pro rata to the amounts paid up on each issued share. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall, at the option of the Directors, be forfeited and shall cease to remain owing by the Company.

#### **4.9. Calls on shares and lien and forfeiture of shares**

Subject to the terms on which shares are allotted, the Company may issue a call notice to Shareholders requiring payment of unpaid monies on their shares. The Company may call on Shareholders to pay different amounts at different times. Shareholders must pay the Company the amount called, provided they are given 14 clear days' notice. If a Shareholder fails to pay money due under a call by the call payment date the Directors may send that Shareholder a notice of intended forfeiture and that member will be liable to pay interest on the call until it is paid. Such notice will state how payment is to be made and that non-compliance with the notice will render the shares in respect of which the call is payable liable

to be forfeited. The Company has a lien over every partly paid share in respect of the unpaid amount, whether a call notice has been sent or not. The lien takes priority over third party interests and extends to money payable in respect of such share, including dividends. A lien enforcement notice may be issued in relation to a share in respect of which a sum is payable if the date for payment of that sum has passed. The Company may sell shares in respect of which a lien enforcement notice is not complied with.

#### **4.10. Appointment of directors**

The number of Directors shall not be less than two nor more than ten in number, unless otherwise determined by ordinary resolution. Directors may be appointed by ordinary resolution or Board resolution.

#### **4.11. Retirement by rotation and removal of directors**

At each annual general meeting of the Company, any Director who was elected or last re-elected as a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. Such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Directors in office at the date of the notice of annual general meeting. The Company may remove any director from office by ordinary resolution before the expiration of their period of office and may (subject to the Articles) by ordinary resolution appoint another person who is willing to act to be a Director in their place.

#### **4.12. Directors' benefits**

The Directors shall be entitled to receive fees such amount as the Company in a general meeting shall determine, or in the absence of any such determination, as the Board may determine. These fees are to be divided among the Directors as the Board decides. An executive Director may receive from the Company a salary or other remuneration in addition to or instead of such fees. The Directors are entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties as Directors. The Board may provide pensions, other retirement or superannuation benefits or other allowances or gratuities for persons who are or were Directors of the Company, or any subsidiary company, and their spouses and dependants.

#### **4.13. Powers of the Board**

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company. The Directors may delegate such powers to any person or committee as they think fit provided that the majority of the members of the committee are Directors and those powers may be sub-delegated with the authority of the Directors. The Directors may revoke any delegation of powers.

#### **4.14. Meetings of directors**

The quorum for Directors' meetings may be fixed from time to time by the Directors, but it must never be less than two and, unless otherwise fixed, it is two. If there is an equality of votes then, the Chairman will have a second or casting vote in addition to any other vote he may have.

#### **4.15. Directors' conflicts or potential conflicts**

Any Director interested in a transaction with the Company will not be counted as participating in any board meetings in respect of such transactions for quorum or voting purposes, unless: (a) the board of Directors authorise the conflict; (b) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict; or (c) the Director's conflict arises from a cause permitted by the Articles.

Causes which are permitted by the Articles include: (a) any security, guarantee or indemnity by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries; (b) a subscription, or agreement to subscribe for (or underwrite or guarantee), securities of the Company or any of its subsidiaries; (c) arrangements made available to employees and directors of the Company or its subsidiaries which do not provide the Directors with special benefits and (d) a contract relating to insurance for the benefit of the Directors.

Questions relating to a Director's right to participate in a board meeting may be referred to the Chairman for final and conclusive determination. Questions relating to the Chairman's right to participate in a board meeting will be determined by a decision of the Directors present at that meeting, for which purpose the Chairman may not participate.

Subject to the provisions of the Act, a Director is not required (provided he has disclosed his interest in the matter) to account to the Company for any benefit which he derives from or in connection with: (a) any transaction or arrangement with the Company or in which the Company is otherwise interested; (b) acting by himself or his firm in a professional capacity for the Company, otherwise than as auditor, and being entitled to such remuneration as the Board may arrange; or (c) being a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested.

#### **4.16. Indemnification of Directors**

A director of the Company or an associated company may be indemnified out of the Company's assets against any liability incurred by that director in connection with the Company's or an associated company's capacity as a trustee of an occupational pension scheme.

#### **4.17. Borrowing powers**

The Board may exercise all of the Company's powers to borrow money and to mortgage or charge the Company's undertaking, property, assets and uncalled capital of the Company, or any part thereof and (subject to applicable laws) to create and issue debentures and other

securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of a third party.

#### **4.18. Meetings of Shareholders**

The Company is required to give notice of all general meetings to all Shareholders, Directors and auditors in accordance with the minimum notice periods contained in the Act. Every notice calling a general meeting shall specify the time, date and place of the meeting and the Shareholders' right to be represented by a proxy. Every notice of a general meeting must specify the general nature of any business to be transacted at the meeting and if the general meeting is an annual general meeting specify the meeting as such.

The quorum for a general meeting is two for all purposes.

An annual general meeting shall be held once a year.

#### **4.19. Shareholder voting**

Every Shareholder is able to exercise their right to vote at a general meeting. Subject to any special rights or restrictions as to voting attached to any shares or class of shares, on a show of hands each member will have one vote and on a poll each member will have one vote for every share of which he is a holder. No objection to the validity of a vote may be raised outside of the meeting, and every vote that is not disallowed during the meeting is valid. All resolutions put to a physical meeting of the members must be decided on a show of hands unless a poll is demanded in accordance with the Articles. A poll may be demanded by the chairman, five or more persons having the right to vote on the resolution, or a person representing at least ten per cent. of the total voting rights. No member may vote on any share, unless all amounts payable to the Company in respect of that share have been paid.

A complete copy of the Articles may be accessed at: [www.sportechplc.com](http://www.sportechplc.com).

### **5. RISK FACTORS**

In addition to the risk factors relating to the Company and its industry set out in the 2020 Annual Report and Accounts, the risk factors set out in this paragraph 5 relating to the Ordinary Shares should be considered carefully in evaluating whether to make an investment in the Company. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. If you are in any doubt as to the action you should take, you should consult a professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities. This summary of risk factors is not intended to be exhaustive.

#### **5.1. The price of the Ordinary Shares may fluctuate**

The value of an investment in the Ordinary Shares may go down as well as up. The price of the Ordinary Shares may fall in response to a range of external factors including the results of the Group, appointments to and resignations from the board of directors and executive

management team, speculation in the market regarding the Group's business or other events affecting the Group and general stock market conditions. In addition, significant sales of Ordinary Shares by major Shareholders, could have a material adverse effect on the market price of Ordinary Shares as a whole.

## **5.2. Investment in AIM securities**

An investment in companies whose shares are traded on AIM is perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. An investment in the Ordinary Shares may be difficult to realise. Existing and prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may realise less than their investment. Further, a quotation on AIM will afford shareholders a lower level of regulatory protection than that afforded to shareholders in a company with its shares listed on the premium segment of the Official List.

## **6. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT**

A summary of the terms of the service agreements of Richard McGuire and Tom Hearne and the letters of appointment of Giles Vardey and Ben Warn are set out on pages 34 and 35 of the 2020 Circular.

## **7. INFORMATION ON DIRECTORS**

7.1. As at the Reference Date, the interests (including related financial products as defined in the AIM Rules) of the Directors (including persons connected with the Directors within the meaning of section 252 of the Companies Act and any member of the Director's family (as defined in the AIM Rules)) in the issued share capital of the Company are as set out on pages 33 and 34 of the 2020 Circular. The interests of the Directors immediately following AIM Admission becoming effective in accordance with the AIM Rules will be as set out on pages 33 and 34 of the 2020 Circular.

7.2. Save as stated above:

7.2.1. none of the Directors (nor any person connected with any of them within the meaning of section 252 of the Companies Act) has any interest, whether beneficial or non-beneficial, in the share or loan capital in the Company or any company in the Group or in any related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares;

7.2.2. there are no outstanding loans granted or guarantees provided by any member of the Group to or for the benefit of the Directors or provided by any Director to any member of the Group;

- 7.2.3. none of the Directors has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group;
- 7.2.4. none of the Directors has any option or warrant to subscribe for any shares in the Company; and
- 7.2.5. none of the Directors has any interest, direct or indirect, in any contract or arrangement which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole, which were effected by any member of the Group and which remains in any respect outstanding or unperformed.
- 7.3. The Directors hold, or have during the five years preceding the Reference Date held, the following directorships or partnerships outside of the Group:

| <b>Director</b> | <b>Age</b> | <b>Current Directorships/ Partnerships</b>   | <b>Past Directorships/ Partnerships</b>  |
|-----------------|------------|--|--|
| Richard McGuire | 54         | Grey Wolf Investments Limited  | Fortem Capital Limited<br>Fortem Capital Holdings Limited<br>Fortem Capital International Limited<br>Fortem Capital AGF Limited<br>IC Development Limited (Dissolved)<br>Lightbulb Investments Limited (Dissolved) |
| Tom Hearne      | 56         | -  | The Score, Inc.  |
| Giles Vardey    | 65         | AI Professional Services Limited   | -  |
| Ben Warn        | 50         | LGR Nurseries Group Limited<br>Little Green Rascals Organic Day Nurseries Limited<br>Checkdmedia Limited<br>CheckdGroup Limited<br>Checkddevelopment Limited<br>Warn Investments Limited | Dazn Vehicle 2 Limited (Dissolved)<br>Fantasy Iteam Ltd (Dissolved)<br>Fantasy Iteam Investments Limited (Dissolved)   |

- 7.4. Giles Vardey was a director of Protx Ltd from September 2000 until October 2002. Protx changed its name to Xtorp Limited on 5 August 2002. Xtorp was placed into administration

in March 2001 and was dissolved in December 2011. Giles Vardey was a director of Brightview Internet Services Limited until April 2002 and Brightview was placed into a creditors voluntary liquidation in March 2003 from which all creditors were repaid.

- 7.5. Save as disclosed in paragraph 7.4, none of the Directors has:
- 7.5.1. any unspent convictions relating to indictable offences;
  - 7.5.2. had a bankruptcy order made against them or entered into any individual voluntary arrangements;
  - 7.5.3. been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst they were a director of that company at the time of, or within the twelve months preceding, such events;
  - 7.5.4. been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst they were a partner of that firm at the time of, or within twelve months preceding, such events;
  - 7.5.5. had any asset belonging to them placed in receivership or been a partner of a partnership any of whose assets have been placed in receivership whilst they were a partner at the time of, or within twelve months preceding, such receivership; or
  - 7.5.6. been publicly criticised by any statutory or regulatory authority (including any recognised professional body) 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.
- 7.6. Save as disclosed on page 34 of the 2020 Circular, there is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

## **8. MAJOR SHAREHOLDERS**

- 8.1. The names and shareholdings in the Company held by 'significant shareholders' (being persons holding 3 per cent. or more of the Ordinary Shares in the Company), with such shareholdings expressed as a percentage of the Company's issued share capital both before and upon AIM Admission are set out in the Schedule One Announcement.
- 8.2. As at the Reference Date, no major shareholder has any different voting rights to the other holders of Ordinary Shares in the capital of the Company.
- 8.3. The Company is not aware of any person or persons who, directly or indirectly, jointly or severally, exercise(s) or could exercise control of the Company or any arrangements the

operation of which may, at a subsequent date, result in a change in the control of the Company.

## **9. COMPANY'S FINANCIAL INFORMATION**

9.1. The Group's audited consolidated financial statements included in the 2020 Annual Report and Accounts, the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts, respectively, together with the audit reports thereon, are incorporated by reference into this document. The Group's audited consolidated financial statements for the financial years ended 31 December 2018, 2019 and 2020 were prepared in accordance with IFRS. These documents are all available from the Company's Website.

| <b>Reference document</b>       | <b>Information incorporated by reference</b>   | <b>Page number in the reference documents</b> |
|---------------------------------|--|---|
| 2020 Annual Report and Accounts | Audited Remuneration Information               | Pages 42 to 61                                |
|                                 | Independent Auditors' Report                   | Pages 62 to 74                                |
|                                 | Consolidated Income Statement                  | Page 76                                       |
|                                 | Consolidated Statement of Comprehensive Income | Page 77                                       |
|                                 | Consolidated Statement of Balance Sheet        | Page 78                                       |
|                                 | Consolidated Statement of changes in Equity    | Pages 79 to 80                                |
|                                 | Consolidated Cash Flow Statement               | Page 81                                       |
|                                 | Notes to Consolidated Financial Statements     | Pages 82 to 133                               |
| 2019 Annual Report and Accounts | Audited Remuneration Information               | Pages 38 to 60                                |
|                                 | Independent Auditors' Report                   | Pages 65 to 71                                |

|                                 |   |                 |
|---------------------------------|---|-----------------|
|                                 | Consolidated Income Statement   | Page 74         |
|                                 | Consolidated Statement of Comprehensive Income  | Page 75         |
|                                 | Consolidated Statement of Balance Sheet   | Page 76         |
|                                 | Consolidated Statement of changes in Equity   | Pages 77 to 78  |
|                                 | Consolidated Cash Flow Statement  | Page 79         |
|                                 | Notes to Consolidated Financial Statements  | Pages 80 to 128 |
| 2018 Annual Report and Accounts |   |                 |
|                                 | Audited Remuneration Information  | Pages 42 to 62  |
|                                 | Independent Auditors' Report  | Pages 67 to 76  |
|                                 | Consolidated Income Statement   | Page 80         |
|                                 | Consolidated Statement of Comprehensive Income  | Page 81         |
|                                 | Consolidated Statement of Balance Sheet   | Page 82         |
|                                 | Consolidated Statement of changes in Equity   | Pages 83 to 84  |
|                                 | Consolidated Cash Flow Statement  | Page 85         |
|                                 | Notes to Consolidated Financial Statements  | Pages 86 to 136 |
| 9.2.                            | BDO LLP of 55 Baker Street, London W1U 7EU are the current auditors of the Company.   |                 |
| 9.3.                            | PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH were the auditors of the Company for the financial year ended 31 December 2018. |                 |

## **10. DIVIDEND POLICY**

Details of dividends declared by the Company are disclosed in the Company's Public Record. The declaration and payment by the Company of any dividends in the future and the amount thereof will depend on the results of the Group's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.

## **11. SHARE DEALING CODE**

The Directors will comply with, and seek to procure compliance by applicable employees with, the relevant provisions of the AIM Rules and UK MAR relating to dealings by Directors and applicable employees in the securities of the Company. The Company will maintain its existing share dealing code which is in conformity with the requirements of Rule 21 of the AIM Rules and will continue to take all reasonable steps to ensure compliance by the Board and all applicable employees with the terms of the share dealing code.

## **12. LITIGATION AND ARBITRATION**

Save as disclosed on pages 36 and 37 of the 2020 Circular (such disclosures updated on page 105 of the 2020 Annual Report and Accounts), neither the Company nor any member of the Group is, nor has it been at any time during the 12 months immediately preceding the Reference Date, involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability and there are no such proceedings of which the Company is aware which are pending or threatened.

## **13. MATERIAL CONTRACTS**

Save as set out in the Company's Public Record (including the 2020 Circular), the following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Group in the two years prior to the Reference Date and are, or may be, material to the Group or have been entered into by any member of the Group at any time and contain obligations or entitlements which are, or may be, material to the Group, in each case as at the Reference Date.

### **13.1. Nominated Adviser and Broker Agreement**

On 4 June 2021, the Company entered into an agreement with Peel Hunt pursuant to which Peel Hunt agreed to act as nominated adviser to the Company, as required by the AIM Rules for Companies. Following Admission the Nominated Adviser and Broker Agreement is terminable by either party on one months' notice and Peel Hunt will be entitled to terminate the agreement in certain customary circumstances, including if there has been a material breach by the Company of its obligations under the agreement or if the Ordinary Shares cease to be admitted to trading on AIM. The Company has given customary undertakings, warranties and indemnities to Peel Hunt.

### 13.2. **Bump 50:50 Sale Agreement**

On 31 January 2021, the Company entered into a share purchase agreement with Sportech Group Holdings Ltd (the "**Seller**"), Canadian Bank Note Company, Limited (the "**Purchaser**") and Bump Worldwide Inc. in respect of the sale of the entire issued share capital of Bump Worldwide Inc. by the Seller to the Purchaser (the "**Bump 50:50 Sale Agreement**"). The consideration payable under the Bump 50:50 Sale Agreement was CAD8 million plus a deferred performance settlement of up to CAD2 million based on certain performance metrics being achieved in 2022. The Company, the Seller and Bump Worldwide Inc. have given customary undertakings warranties and indemnities to the Purchaser. Completion of the Bump 50:50 Sale Agreement took place on 2 June 2021.

## 14. **CORPORATE GOVERNANCE**

14.1. Up to the Reference Date, the recognised corporate governance code that the Board has been applying is the UK Corporate Governance Code. Save as disclosed on page 30 of the 2020 Annual Report and Accounts, the Directors consider that the Group complied with those provisions of the UK Corporate Governance Code throughout the financial year ended on 31 December 2020.

14.2. Compliance with the UK Corporate Governance Code is not mandatory for companies whose shares are admitted to trading to AIM. If AIM Admission occurs, the Group will, however, seek to comply or explain any non-compliance with the UK Corporate Governance Code.

## 15. **THE TAKEOVER CODE AND THE COMPANIES ACT**

### 15.1. **Mandatory takeover bids**

15.1.1. The Takeover Code applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The Takeover Code provides an orderly framework within which takeovers are conducted and the Takeover Panel has now been placed on a statutory footing.

15.1.2. The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the Takeover Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting

rights, acquires additional shares which increase his percentage of the voting rights. Unless the Takeover Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

15.1.3. There are not in existence any current mandatory takeover bids in relation to the Company.

## **15.2. Squeeze out**

Section 979 of the Companies Act provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration available under the takeover offer.

## **15.3. Sell out**

Section 983 of the Companies Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less than 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## **16. UK TAXATION**

The following summary is intended as a general guide only for Shareholders who are UK tax resident as to their tax position under current UK tax legislation and HMRC practice as at the Reference Date. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time.

The Company is at the Reference Date resident for tax purposes in the United Kingdom and the following is based on that status.

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position applicable to shareholders resident and domiciled for tax purposes in the United Kingdom (except in so far as express reference is made to the treatment of non-

UK residents) and who are absolute beneficial owners of their Ordinary Shares (as applicable) and who hold their Ordinary Shares as an investment and not as party to an arrangement that would produce a return that is economically equivalent to interest or which has the main purpose, or one of the main purposes, the obtaining of a tax advantage. This summary does not address the position of certain classes of shareholders who (together with associates) have a 10 per cent. or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, pension funds, charities or UK insurance companies or whose shares are held under a self-invested personal pension or an individual savings account or are 'employment related securities' as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003.

Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the United Kingdom should consult his or her professional advisers immediately as to the taxation consequences of his or her ownership and disposition of Ordinary Shares.

This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

#### **16.1. Taxation of Dividends**

Under current UK taxation legislation, there is no UK withholding tax on dividends, including cases where dividends are paid to a shareholder who is not resident (for tax purposes) in the United Kingdom.

##### *UK tax resident and domiciled or deemed domiciled individual shareholders*

All dividends received from the Company by an individual shareholder who is resident and domiciled (or deemed domiciled) in the UK will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax, form part of the shareholder's total income for income tax purposes and will represent the highest part of that income.

A nil rate of income tax applies to the first £2,000 of dividend income received by an individual shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income. If an individual receives dividends in excess of this allowance in a tax year, the excess will be taxed at 7.5 per cent. (for individuals not liable to tax at a rate above the basic rate), 32.5 per cent. (for individuals subject to the higher rate of income tax) and 38.1 per cent. (for individuals subject to the additional rate of income tax) for 2021/22.

To the extent that total income exceeds any remaining standard rate band (maximum £1,000), trustees of discretionary trusts receiving dividends from shares are liable to account for income tax at the dividend trust rate, currently 38.1 per cent (a rate of 7.5 per cent applies to dividend income within the standard rate band). Trustees do not qualify for the £2,000

dividend allowance available to individuals. This is a complex area and trustees of such trusts should consult their own tax advisers.

UK pension funds and charities are generally exempt from tax on dividends which they receive.

#### *Corporate shareholders within the charge to UK corporation tax*

Shareholders within the charge to UK corporation tax which are 'small companies' for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally not be subject to UK corporation tax on any dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate shareholder (which is not a 'small company' for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19 per cent as from 1 April 2021, to be increased to 25 per cent. with effect from 1 April 2023) unless the dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are 'ordinary shares' (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which 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 in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to various conditions and anti-avoidance rules.

#### *Non-resident shareholders*

Non-UK resident corporate shareholders are not generally subject to UK tax on dividend receipts.

Non-UK resident individual shareholders who receive a dividend from the Company are treated as having paid UK income tax on their dividend income at the dividend ordinary rate (7.5 per cent.). Such income tax will not be repayable to a non-UK resident individual shareholder. A non-UK resident individual shareholder is not generally subject to further UK tax on dividend receipts.

Non-UK resident shareholders may however be subject to taxation on dividend income under local law, in their country or jurisdiction of residence and/or citizenship. Non-UK resident shareholders should consult their own tax advisers in respect of the application of such provisions, their liabilities on dividend payments and/or what relief or credit may be claimed in the jurisdiction in which they are resident.

## **16.2. Taxation of Chargeable Gains**

### *Individual Shareholders*

If an individual shareholder is within the charge to UK capital gains tax, a disposal (or deemed disposal) of all or some of his or her Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax, depending on his or her circumstances. The rate of capital gains tax on disposal of shares is 10 per cent. (2021/22) for individuals who are subject to income tax at the basic rate and 20 per cent. (2021/22) for individuals who are subject to income tax at the higher or additional rates. An individual shareholder is entitled to realise an annual exempt amount (£12,300 from 6 April 2021).

#### *Corporate Shareholders*

For a corporate shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that shareholder (currently 19 per cent, to be increased to 25 per cent. with effect from 1 April 2023) or an allowable loss for the purposes of UK corporation tax. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax by increasing the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index from the month of acquisition up to 31 December 2017. Indexation allowance is currently 'frozen' so that it does not increase the chargeable gains tax base cost for any period from 1 January 2018 onwards, even if the date of disposal occurs at a later point in time.

#### *Non-resident shareholders*

A shareholder who is not resident in the United Kingdom for tax purposes, but who carries on a trade, profession or vocation in the United Kingdom through a permanent establishment (where the shareholder is a company) or through a branch or agency (where the shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) may be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, holders of Ordinary Shares who are individuals and who dispose of Ordinary Shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the United Kingdom.

### **16.3. Inheritance Tax**

Individual and trustee Shareholders domiciled or deemed to be domiciled in any part of the United Kingdom may be liable on occasions to inheritance tax ("**IHT**") on the value of any Ordinary Shares held by them. Under current law, the primary 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 (which will also be brought into account when calculating the IHT on 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.

However, a relief from IHT known as business relief ("**BR**") may apply to ordinary shares or preference shares in unlisted trading companies once these have been held by the

Shareholder for a continuous two year period. This relief may apply notwithstanding that a company's shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List, which was the case for the Ordinary Shares prior to admission to AIM). BR operates by reducing the value of shares by 100 per cent. for IHT purposes which means that there will be no IHT to pay.

Shareholders should consult an appropriate professional adviser if they intend to make a gift of any kind or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is a potential for a double charge to UK IHT and an equivalent tax in another country.

#### **16.4. Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

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

- 16.4.1. the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term 'listed' being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- 16.4.2. AIM continues to be accepted as a 'recognised growth market' (as construed in accordance with section 99A of the Finance Act 1986). In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances, at the rate of 0.5 per cent. of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

#### **16.5. AIM**

Companies whose shares trade on AIM are deemed unlisted for the purposes of certain areas of UK taxation. Following the AIM Admission, Ordinary Shares held by individuals for at least two years from the AIM Admission may qualify for more generous exemptions from inheritance tax on death or in relation to lifetime transfers of those Ordinary Shares. Shareholders should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them.

**The comments set out above are intended only as a general guide to the current tax position in the United Kingdom at the Reference Date. The rates and basis of taxation can change and will be dependent on a shareholder's personal circumstances.**

**Neither the Company nor its advisers warrant in any way the tax position outlined above which, in any event, is subject to changes in the relevant legislation and its interpretation and application.**

## **17. RELATED PARTY TRANSACTIONS**

Details of related party transactions are set out in note 31 to the 2020 Annual Report and Accounts, in note 31 to the 2019 Annual Report and Accounts and in note 29 to the 2018 Annual Report and Accounts.

## **18. INVESTMENTS**

Details of the Group's investments are set out in note 17 to the 2020 Annual Report and Accounts, in note 17 to 2019 Annual Report and Accounts and in note 15 to the 2018 Annual Report and Accounts.

## **19. EMPLOYEES**

As at the Reference Date, the number of full and part-time employees throughout the Group in respect of continuing operations, including executive directors, was 15 employees in the UK and 237 employees overseas.

## **20. GENERAL**

- 20.1. Peel Hunt has given and not withdrawn its written consent to the issue of this Appendix with the inclusion of its name and references to it in the form and context in which it is included.
- 20.2. Save as disclosed in the Company's Public Record (including the 2020 Circular), no public takeover bids have been made by third parties in respect of the Company's issued share capital during the financial year ended 31 December 2020 or during the current accounting period up to the Reference Date.
- 20.3. There are no environmental issues that affect the Group's utilisation of its tangible fixed assets.
- 20.4. Save as disclosed in the Company's Public Record, the Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

30 June 2021