

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

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

Application has been made for the ordinary share capital of the Company, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 9 July 2020. The New Ordinary Shares to be issued pursuant to the Placing will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the 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 for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Directors (whose names, addresses and functions appear on page 8 of this document) and the Company (whose registered office appears on page 8 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read this document in its entirety. An investment in the Company includes a significant degree of risk and prospective investors should consider carefully the risk factors set out in Part II of this document.



Elixir International plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 11723404)

**Placing of 11,520,738 Ordinary Shares of 0.005 pence each at 217 pence per share
and**

Admission to trading on AIM

Nominated Adviser, Sole Broker and Sole Bookrunner



Share capital immediately following Admission

	<i>Issued and fully paid</i>	
	<i>Amount</i>	<i>Number</i>
Ordinary shares of 0.005 pence each	£2,259.89	45,197,790
Redeemable preference shares of £1.00 each	£50,001	50,001

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

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

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website www.Elixirr.com.

PRESENTATION OF INFORMATION

1. General

Prospective investors should only rely on the information contained in this document. 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 representation must not be relied upon as having been so authorised by the Company, the Directors or finnCap or any of their respective affiliates, officers, directors, partners, employees or agents. No representation or warranty, express or implied, is made by finnCap as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by finnCap as to the past, present or future. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary admission document pursuant to the AIM Rules for Companies, neither the delivery of this document nor any subscription, sale or purchase made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this document or that the information in it is correct as of any time after the date of this document.

The Company will update the information provided in this document by means of a supplement to it if a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in this document. Any supplementary admission document will be made public in accordance with the AIM Rules for Companies.

The contents of this document and any other communications are not to be construed as legal, financial or tax advice. Each prospective investor should consult a legal adviser, an independent financial adviser duly authorised under the FSMA or a tax adviser for legal, financial or tax advice in relation to any investment in or holding of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Prospective investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investing in and holding the Ordinary Shares involves financial risk. Prior to investing in the Ordinary Shares, prospective investors should read the entirety of this document and carefully consider all of the information contained in this document, paying particular attention to the section entitled Risk Factors in Part II of this document. Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information contained in this document and their personal circumstances.

finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser, sole broker and sole bookrunner to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of finnCap or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. finnCap's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

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

In connection with the Placing, finnCap and any of its affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary 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, finnCap and any of its affiliates acting as investors for their own accounts. finnCap 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.

finnCap and its affiliates may have in the past engaged, and may in the future, from time to time, engage in transactions with, and provided various investment banking, financial advisory and other ancillary activities in the ordinary course of their business with the Company, in respect of which they have received, and may in the future receive, customary fees and commissions. As a result of these transactions, these parties may have interests that may not be aligned, or could possibly conflict, with the interests of investors.

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

2. Notice to overseas persons

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered in “offshore transactions” in reliance on Regulation S under the US Securities Act. The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

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

3. Presentation of financial information

The report on historical financial information included in Part III of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its inclusion in this document appearing in Part IV of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document, including the Elixir LLP Group’s audited consolidated financial information for each of the three years ended 30 April 2019 and the two months ended 30 June 2019, together with the Group’s audited consolidated financial information for the six month

period ended 30 April 2019 and the notes to the financial information, has been prepared in accordance with IFRS.

4. Non-IFRS information

This document contains certain financial measures that are not defined or recognised under IFRS, including EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA result from Group operating profit adjusted for depreciation and amortisation, share-based payments and exceptional items. Information regarding EBITDA, Adjusted EBITDA or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of EBITDA, Adjusted EBITDA or similar measures and the criteria upon which EBITDA, Adjusted EBITDA or similar measures are based can vary from company to company. EBITDA and Adjusted EBITDA, alone, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit, revenue or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

5. Rounding

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

6. Currency presentation

In the document:

- references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom; and
- references to "US dollars", "\$" and "cents" are to the lawful currency of the United States of America.

Unless otherwise indicated, the financial information contained in this document has been expressed in pounds sterling. The Group presents its financial information in sterling.

7. Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Factors that might cause such a difference, include, but are not limited to the risk factors set out in Part II of this document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to past or current trends, future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should therefore specifically consider the risk factors contained in Part II of this document that could cause actual results to

differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

8. Presentation of market, economic and industry data

This document contains information regarding the Group's business and the industry in which it operates and competes, which the Company has obtained from various third party sources. Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9. No incorporation of website information

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

10. Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the sections of this document under the headings "Definitions" and "Glossary" respectively.

All times referred to in this document are, unless otherwise stated, references to London time.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

11. Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

12. Corporate Reorganisation

Except where the context otherwise requires, all of the information in this document is presented as if the Corporate Reorganisation had already taken place as at the date of this document. All steps associated with the Corporate Reorganisation will be completed prior to, or with effect from, Admission.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Gavin Patterson Stephen Newton Graham Busby Ian Ferguson Charlotte Stranner Simon Retter	<i>(Independent Non-Executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Chief Financial Officer)</i> <i>(Executive Director and General Counsel)</i> <i>(Independent Non-Executive Director)</i> <i>(Independent Non-Executive Director)</i>
	All of whose business address is at the Company's registered office	
Registered Office	12 Helmet Row London EC1V 3QJ	
Head Office	100 Cheapside London EC2V 6DT	
Company Secretary	Nicholas Willott	
Company website	www.elixirr.com	
Nominated Adviser, Sole Broker and Sole Bookrunner	finnCap Ltd 1 Bartholomew Close London EC1A 7BL	
Legal advisers to the Company	Osborne Clarke LLP One London Wall London EC2Y 5EB	
Legal advisers to finnCap	Fox Williams LLP 10 Finsbury Square London EC2A 1AF	
Reporting accountants and auditors	Crowe U.K. LLP St. Brides House 10 Salisbury Square London EC4Y 8EH	
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD	

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“AIM Rules for Companies”	the AIM rules for companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
“AIM”	AIM, a market operated by the London Stock Exchange
“Articles”	the articles of association of the Company adopted by the Company on 3 July 2020, conditional upon Admission
“Board” or “Directors”	the directors of the Company with effect from Admission, whose names are set out on page 8 of this document, or any duly authorised committee thereof
“City Code”	the City Code on Takeovers and Mergers published by the Panel from time to time
“Company”	Elixir International plc, a company incorporated under the laws of England and Wales
“Corporate Reorganisation”	the reorganisation of the Group, more particularly described in paragraph 2 of Part IV of this document
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
“DTRs”	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA from time to time
“Elixirr”	as the context requires, the Company and the business of the Group conducted through Elixirr LLP prior to 1 July 2019
“Elixirr Consulting”	Elixirr Consulting Limited, a wholly owned subsidiary of the Company incorporated under the laws of England and Wales
“Elixirr LLP”	Elixirr Partners LLP
“Elixirr LLP Group”	Elixirr LLP and its subsidiary undertakings and “Elixirr LLP Group Company” should be interpreted accordingly
“EMI Scheme”	the Elixirr International plc EMI scheme, further details of which are set out in paragraph 9 of Part IV of this document

“EMI”	enterprise management incentives, under the terms of the EMI code as defined in section 527 of the Income Tax (Earnings and Pensions) Act 2003
“Employee Benefit Trust”	the Elixir International plc employee benefit trust, further details of which are set out in paragraph 9 of Part IV of this document
“Enlarged Share Capital”	the issued Ordinary Shares upon Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“Executive Directors”	each of Stephen Newton, Graham Busby and Ian Ferguson
“Existing Ordinary Shares”	the 35,981,200 Ordinary Shares in issue immediately prior to Admission
“FCA”	the UK Financial Conduct Authority
“finnCap”	finnCap Ltd, the Company’s nominated adviser, sole broker and sole bookrunner
“Founders” or “Concert Party”	each of Stephen Newton, Ian Ferguson, Graham Busby, Andrew Curtis and Mark Goodyear
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FY12”	the 12 month period ended 30 April 2012
“FY17”	the 12 month period ended 30 April 2017
“FY18”	the 12 month period ended 30 April 2018
“FY19”	the 12 month period ended 30 April 2019
“Group”	the Company and its subsidiary undertakings and “Group Company” should be interpreted accordingly
“HMRC”	Her Majesty’s Revenue and Customs
“IFRS”	International Financial Reporting Standards
“London Stock Exchange”	London Stock Exchange plc
“MAR”	the Market Abuse Regulation (2014/596/EU)
“Net Asset Value Per Share”	has the meaning set out in paragraph 3.26 of Part IV of this document.
“New Ordinary Shares”	the 9,216,590 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Nominee Agreements”	the arrangements whereby certain Existing Ordinary Shares are held by the Trustee, as nominee for certain employees of the Company, further details of which are set out in paragraph 9 of Part IV of this document
“Non-Executive Directors”	each of Gavin Patterson, Simon Retter and Charlotte Stranner

“Official List”	the Official List of the FCA
“Ordinary Shares”	ordinary shares of 0.005 pence each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Partners”	each of Graham Busby, Anthony Potter, Clare Filby, Brandon Bichler, Daniel Lemcke, Dieter Halfar, Karen Newman, Eric Rich, William Kingston, Karina Van Den Oever, Dan Garsin, Ian Ferguson, Stephen Newton, Matt Gorman, Mark Gaunt and Nicolas Willott and “Partner” shall mean any one of them
“Placing Agreement”	the conditional agreement dated 6 July 2020 and made between the (1) Company (2) finnCap (3) the Directors and (4) the Selling Shareholders relating to the Placing, further details of which are set out in paragraph 11 of Part IV of this document
“Placing Price”	217 pence per Placing Share
“Placing Shares”	the New Ordinary Shares and the Sale Shares
“Placing”	the conditional placing of the Placing Shares by finnCap as agent for and on behalf of the Company and the Selling Shareholders pursuant to the terms of the Placing Agreement
“Prospectus Regulation Rules”	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA from time to time
“QCA Code”	the Quoted Companies Alliance Corporate Governance Code published from time to time
“Relationship Agreement”	the agreement dated 6 July 2020 and made between the (1) Company (2) and (2) Stephen Newton, further details of which are set out in paragraph 11 of Part IV of this document
“Sale Shares”	the 2,304,148 Existing Ordinary Shares being sold on behalf of the Selling Shareholders pursuant to the Placing
“Selling Shareholders”	those persons whose names and addresses are set out in paragraph 17 of Part IV of this document
“Senior Management”	each of Clare Filby, Eric Rich, Brandon Bichler and Nicholas Willott
“Shareholder”	a holder of Ordinary Shares
“Trustee”	Sanne Fiduciary Services Limited, as trustee of the Employee Benefit Trust
“UK”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US”, “USA” or “United States”	the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction
“VAT”	UK value added tax

GLOSSARY

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

“Adjusted EBITDA”	earnings before interest, tax, depreciation and amortisation, excluding amounts in respect of the Group’s share-based payments and exceptional items
“CAGR”	compounded annual growth rate
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“FTE”	full-time equivalent
“KPIs”	key performance indicators

PLACING STATISTICS

Placing Price	217p
Number of Existing Ordinary Shares	35,981,200
Number of New Ordinary Shares being issued by the Company pursuant to the Placing	9,216,590
Number of Sale Shares being sold by the Selling Shareholders pursuant to the Placing	2,304,148
Number of Ordinary Shares in issue on Admission	45,197,790
Percentage of Enlarged Share Capital represented by the Placing Shares	25.5%
Percentage of Enlarged Share Capital represented by the New Ordinary Shares	20.4%
Percentage of Enlarged Share Capital represented by the Sale Shares	5.1%
Market capitalisation of the Company at the Placing Price on Admission	£98.1 million
Total proceeds of the Placing	£25.0 million
Estimated expenses of the Placing	£1.9 million
Estimated net proceeds of the Placing receivable by the Company	£18.1 million
ISIN number	GB00BLPHTX84
SEDOL number	BLPHTX8
AIM TIDM	ELIX
LEI number	213800MKY7OHMVAKW681

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2020¹

Publication of this document	6 July
Admission and dealings commence in the Ordinary Shares on AIM	8.00 a.m. on 9 July
CREST accounts credited by	8.00 a.m. on 9 July
Despatch of definitive share certificates, where applicable, by	23 July

Notes:

1. *Each of the above dates is subject to change at the absolute discretion of the Company and finnCap*

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

Background

Elixirr is an established, global, award-winning management consultancy, challenging the larger consultancies by delivering innovative and bespoke solutions to a repeat, globally-recognised client base.

Elixirr, which was founded in 2009, accordingly considers itself “The Challenger Consultancy”, offering a wide range of expertise and capabilities, including defining strategy and driving business improvement with the aim of solving the challenges experienced by its clients. These challenges include: future-proofing against technological disruption; development and roll-out of new products, services and businesses; navigating a more complex and multinational regulatory environment; and project management and implementation of major change programmes.

Since its inception, Elixirr has worked with over 150 clients across numerous countries spanning Europe, North America, Africa, Asia and Australia, with offices in the UK and permanent presence (and employees) in the US and South Africa. In this period, Elixirr has successfully grown and diversified its client base by industry and geography and now acts internationally for globally-recognised clients including Barclays, British American Tobacco, Harrods, IWG (formerly Regus) and LVMH. The majority of Elixirr’s revenue is from repeat business, evidencing the long-term client relationships that Elixirr builds.

In 2019, an independent survey of 16 clients commissioned by the Company found that clients rated Elixirr 32 per cent. higher than its competitors for ‘Overall Performance’. Most clients surveyed compared Elixirr to McKinsey & Company, Bain & Company and Boston Consulting Group (collectively “**MBB**”). Within this survey, clients rated Elixirr against its competitors, including MBB, across 14 different criteria. Areas of Elixirr’s outperformance were recorded in areas including ‘practicality of recommendations’, ‘understanding of specific business challenges/opportunities’ and ‘return on investment’.

Elixirr has a strong financial history with a revenue growth CAGR of 32 per cent. from FY12 to FY19 and approximately 100 per cent. cash conversion. In FY19, Elixirr delivered annualised EBITDA of 7.4 million. Further detail on the Group’s historical financial information is summarised in paragraph 11 of this Part I and full historical financial information is set out in Part III of this document.

Until 2012, Elixirr’s clients were predominantly based in South Africa and the UK. Since then, Elixirr has expanded geographically, particularly in the US; which the Board sees as a key jurisdiction for growth and in which the Company has already developed traction. In the year to 31 December 2019, Elixirr’s revenues were well-diversified geographically and had a split as follows: UK (46 per cent.), Europe (15 per cent.), US (15 per cent.), Africa (17 per cent.) and Rest of World (7 per cent.). In 2017, Elixirr also acquired Den Creative, accelerating the Group’s growth and broadening Elixirr’s capabilities and client offering.

Elixirr has grown from its five founders (two operational and three non-executives at the time) in 2009, to a firm which now comprises 16 Partners and in excess of 100 other staff, working across numerous industries and countries. The Company was incorporated in December 2018 and subsequently acquired the business and assets of the Elixirr LLP Group, becoming the holding company of the Group.

The Company is seeking Admission in order to raise £20.0 million (before expenses) through the issue of the New Ordinary Shares at the Placing Price. The net Placing proceeds will be used to accelerate Elixirr’s growth objectives including allowing the Company to capitalise on certain acquisition opportunities and to pay down the entirety of the debt outstanding to Coutts and certain founders of the Company. In addition, the Placing will raise approximately £5.0 million for the Selling Shareholders (before expenses). Further details of the Placing and the Company’s intended use of proceeds, and the Selling Shareholders’ remaining interests in the Company, are set out in paragraph 13 of this Part I and paragraph 7 of Part IV of this document, respectively. Prior to the Placing, the Group’s free float is 16.1 per cent. and immediately following the Placing will be 38.3 per cent.

Reasons for the Placing and Admission

The Board believes that Admission will provide a platform to enhance and diversify the business through:

- the opportunity to enter the next phase of Elixirr's growth strategy and make selective acquisitions to complement or enhance Elixirr's capabilities, industries, or geographical coverage;
- the alignment, by way of share participation, of all employees' goals with those of the business, aiding retention and enhancing Elixirr's recruitment appeal; and
- improving the visibility of Elixirr generally.

2. KEY STRENGTHS OF THE GROUP

The Directors believe that the success of Elixirr, and their expectations for continued momentum, are founded on the following key strengths:

- Elixirr has a highly diversified client base spanning multiple industries and geographies, having worked with over 150 clients since inception and completed over 900 projects in this time;
- Elixirr has generated an aggregate of over £100 million of revenue since 2012;
- Elixirr is a global consultancy challenging the larger management consultancies in delivering innovative and bespoke solutions, and its award-winning credentials recognise the Company as a market leader;
- Elixirr has a global reach across Europe, Africa, North America, Asia and Australia, with revenues diversified across all regions;
- although it has predominantly grown through organic means, Elixirr completed the acquisition of Den Creative in 2017, accelerating the Group's growth and broadening Elixirr's capabilities and client offering;
- the establishment of the 'client lifecycle' approach which has in turn driven longer-term client engagements and high levels of repeat work;
- a strong client base including globally-recognised clients and brands such as Barclays, British American Tobacco, Harrods, IWG (formerly Regus), Lincoln Financial Group and LVMH;
- a Partner group diversified by age, with multiple fee earners who have clear client accountability and an entrepreneurial culture;
- an established brand allowing recruitment of highly skilled employees;
- a Global Innovation Network consisting of over 1,000 start-ups, VCs and incubators across five continents;
- strong historical financial growth with approximately 32 per cent. revenue CAGR from FY12 to FY19 and increasing EBITDA margins; and
- average operating cash conversion of approximately 100 per cent. between FY16 and FY19.

3. HISTORY AND BACKGROUND

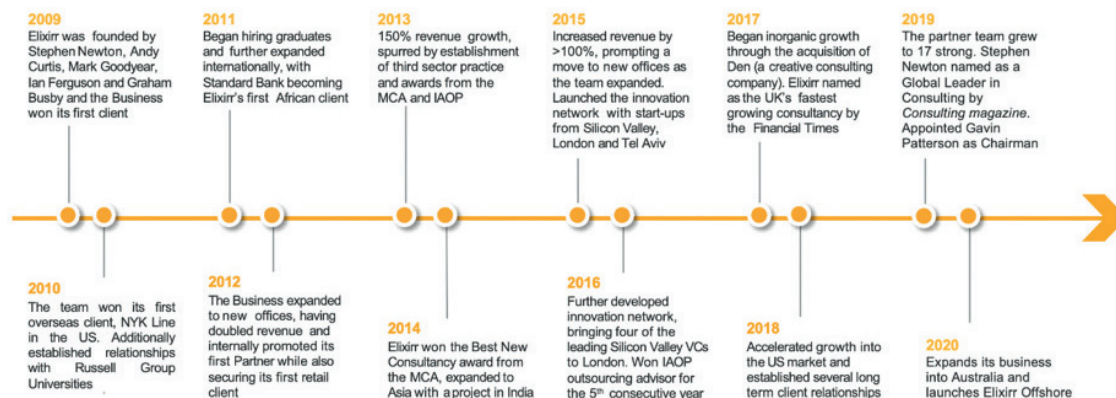
Elixirr was founded in 2009 by Stephen Newton, Andy Curtis, Mark Goodyear, Ian Ferguson and Graham Busby, experienced business advisors who identified a market opportunity to provide bespoke, personal services as a 'challenger' to the traditional consultancy businesses in the market.

Since 2012, Elixirr has grown revenues by 32 per cent. CAGR to FY19, and delivered EBITDA of £7.4 million in FY19 (annualised). Elixirr has advised over 150 clients since 2009, and in 2019 continued to work with more than half of these firms. Fuelling this growth, Elixirr has established offices in the UK, and permanent presence (and employees) in the US and South Africa.

The Company also prioritises its staff and Partners and has made significant investments in its employee base throughout its existence. Elixirr has a Partner group of 16 individuals (of which 11 are revenue generating), which is overseen by the Board comprising three executive directors: Stephen Newton (Founder and CEO), Ian Ferguson (Founder and General Counsel), and Graham Busby (Founder and CFO); and three non-executive directors: Gavin Patterson (Chairman), Simon Retter, and Charlotte Stranner. The Board and Partners are supported by a further 95 FTEs and a number of associates and contractors.

Elixirr has grown almost entirely organically since inception, with the addition of a small complementary acquisition made in 2017 when the Company acquired Den Creative, a creative design agency. Since its acquisition, Elixirr has tripled the annual revenue of Den Creative, gained several new creative clients and has cross-sold Den Creative's services to many of Elixirr's most important existing clients.

An overview of the history of Elixirr is set out below:



4. BUSINESS OVERVIEW

Elixirr was founded to provide bespoke consultancy services and to 'challenge' those traditional large consultancy businesses such as Accenture and MBB. Elixirr focuses on building long-term, trusted relationships with clients by consistently delivering innovative, impactful solutions with the aim of solving clients' business challenges.

Clients typically come to Elixirr when they face an overarching problem they are unsure of how to solve internally, for example, technological disruption in their industry. Elixirr offers a wide range of expertise and capabilities to solve these problems including defining strategy, driving business improvement or helping build new businesses. The Company uses a "bottom-up" approach which involves designing a bespoke solution to solve the specific issues for its clients, rather than solely trying to sell 'off the shelf' solutions. The Board believes that this is a key differentiator of Elixirr against its peers.

Examples of the challenges experienced by Elixirr's clients include:

- future-proofing against technological disruption;
- development and roll-out of new products, services and businesses;
- navigating a more complex and multinational regulatory environment; and
- project management and implementation of major change programmes.

Services

Elixirr categorises the services it provides into two principal categories: the preliminary phase, 'Discover what's possible' and the execution phase, 'Make change happen'. Within each category, Elixirr provides certain services, which in-turn flow through the client lifecycle, further information on which is set out below:

'Discover what's possible'

Understanding the opportunity – This is the initial stage of Elixirr's involvement with a client whereby the Company identifies the areas to be addressed. The Board believes that this process is important in order to embed its relationship with a client to provide future opportunity for further project mandates. Elixirr has a global innovation network it successfully leverages in this phase.

Define the strategy – This consists of strategic services provided to clients including business case review and support, acquisition advice and sourcing, overall business strategy review and also business model change.

'Make change happen'

Improve business performance – Elixirr provides services to improve a client's business performance. Particular focus is paid to the technology architecture, design and build, data and analytics and commercial office and outsourcing of a client's business.

Build new products, services and businesses – Elixirr has a large amount of experience advising clients on building new products, services, and businesses. In this space, Elixirr offers digital and creative solutions to build out digital offerings for a client's customer base, product, project and portfolio management, change management, regulation advice, organisation design and operating models.

Client Lifecycle

Elixirr's business model seeks to deliver bespoke solutions that embed Elixirr within its clients over the long term and, as a result of this approach, the majority of Elixirr's FY19 revenue was repeat business from existing clients. The Company has established the "client lifecycle" to further embed and record each stage of a client relationship, as follows:



Identification and entry (< three months of engagement) – Typically comprises short-term projects in the form of management consulting roles and identifying a strategic solution. Although short-term projects, the majority of these lead to follow-on work and larger assignments and are also undertaken by Elixirr as they are expected to create adjacent opportunities.

Deliver and grow (3-6 months typical length) – Projects for repeat clients who know the services that Elixirr offers. Solutions included are design workshops, rapid prototyping and programme management and are typically implementation focused, helping to deliver the client's strategy.

Embed client relationship (6-12 months typical length) – Working on its existing client relationships Elixirr will then identify adjacent opportunities which in turn delivers high levels of repeat work for the Company. These adjacent solutions include full strategic plans, design, implementation and delivery of new products and services and are generally longer-term projects.

Long term partnerships (12+ months typical length) – The Board considers these to be "sticky", long-term relationships providing long-term projects and revenue visibility. With these sorts of clients and partnerships, Elixirr will actively drive the client's agenda, for example helping to build a new business.

Client Revenue Model

The Company uses a range of flexible pricing structures for its work, often dependent on where the client lies in the client lifecycle. These include time-and-materials, fixed fee and milestone payments. In addition to this, and when appropriate for both parties, Elixirr looks to use innovative fee structures for opportunities where significant upside could exist and has made a number of strategic investments in performance-related engagements, where fees are dependent on success or savings being realised in the underlying client businesses. The Board believes that this flexible approach differentiates Elixirr within its market, which generally operates using time-and-materials and fixed fee arrangements.

Global Innovation Network

Elixirr has its own "Global Innovation Network" which provides its clients' C-suite teams with access to its relationships with venture capital firms ("VCs"), start-ups, the latest technologies and innovation, with Elixirr identifying the key issues and solutions for its clients and therefore helping to integrate innovative new ways of working for these clients. Elixirr's Global Innovation Network spans across five continents and consists of over 1,000 start-ups, VCs and incubators in Silicon Valley, New York, London, Shanghai, Kenya, Tel Aviv, India, Cape Town and Australia. The Board believes that this is a unique market offering and a key differentiator for Elixirr.

Since the launch of Elixirr's Global Innovation Network in 2016, the Company has connected the executive leadership teams from over 30 clients to firms within its innovation network, further embedding relationships

and driving follow-on work – this includes, but is not limited to, travelling to different locations around the world with the leadership teams on an “innovation immersion”, which, in turn, allows the Company to build deep relationships with the decision-makers from these companies.

5. CLIENTS

Since its inception, Elixirr has successfully grown and diversified its client base by revenue, industry and geography. The Company has advised over 150 clients since 2009, and in 2019 continued to work with more than half of them. The Directors believe that an increased client base is providing Elixirr with more opportunities to win new business with existing and new clients due to an enhanced reputation. The Directors also believe that the Company’s lifecycle model and forging long-term relationships with clients is the key to retaining repeat clients, and more than 90 per cent. of revenue in 2019 was from repeat clients.

Industries

Elixirr works with companies in a number of industries including financial services, consumer goods, retail and technology media & telecommunications. A significant proportion of Elixirr’s revenue in 2019 came from financial services clients including ABSA, Bank of the West, Danske Bank, FirstRand, Investec and Standard Bank.

Elixirr has actively diversified the industries in which it operates by offering solutions and capabilities that cater to the demands of corporates across all key industries. An example of this diversification is Elixirr’s reduced revenue concentration in the financial services market. In FY12, over 90 per cent. of Elixirr’s revenue came from the financial services industry, whereas in FY19, this has reduced to 53 per cent. of revenue. Elixirr continues to diversify the industries in which it operates, however the Board believes that the financial services market remains key to Elixirr’s operations by virtue of its size and historic consultancy spend.

Selected clients of Elixirr are as follows:



Not only has Elixirr increased its number of clients year-on-year since inception, but the proportion of clients that are repeat clients is also substantial; as at the date of this document, repeat clients account for over 90 per cent. This is a result of, amongst other things, the successful implementation of the client lifecycle model and the embedding of “sticky”, long-term partnerships with clients.

6. AWARDS AND ACCREDITATIONS

Elixirr has won many awards across multiple categories to date, recognising Elixirr’s differentiated approach and strengthening of its brand in the consultancy marketplace. A selection of notable awards won by the Company are as follows:

Selection of notable awards	
	Best Business Website, Good Web Guide, 2019
	'Best' of the World's Best Outsourcing Advisors, 2019
	Shortlisted for 'Best Brand Initiative', 2018
	Inc. 5000: Fastest growing companies in Europe, 2018
	UK's leading management consultants, 2018
	FT 1000: fastest growing companies in Europe, 2017
	Most Innovative Company in Europe, 2016
	Best New Consultancy, 2014

7. GEOGRAPHIC PRESENCE

Elixirr was founded in the UK with its first office in London. Elixirr expanded its geographic presence in 2011 by gaining a long-term client in Standard Bank, South Africa, which allowed Elixirr to acquire several further South African clients and generate significant associated revenue, which continues today. Elixirr entered the US market in 2016, hiring a US-based Partner in Dallas, Texas, and entered the Australian market in 2020. Elixirr plans to open up a new “offshore” offering in 2020 focusing on the Channel Islands and Luxembourg, having been taken into these jurisdictions by current clients.

Elixirr has continued to diversify its revenue by geography and the breakdown between FY12 and FY19 is as follows, showing the significant effort put in by the Group's management to diversify its revenue base:

Period	Total Revenue	UK	USA	Africa	Europe	Rest of World
FY12	£3.0m	3%	0%	83%	15%	0%
Calendar Year 2019	£24.4m	46%	15%	17%	15%	7%

Locations

UK – Elixirr's headquarters are in London. The UK accounted for approximately 46 per cent. of Elixirr's revenue for 2019 with clients including ASOS Argos, NFU Mutual, and Schroders Personal Wealth. There are 93 FTEs at Elixirr's London office, comprising 14 Partners and 79 additional staff.

South Africa – Elixirr has worked extensively in Johannesburg, South Africa, since 2011 as a result of the success of Elixirr's initial work with Standard Bank. Elixirr also works with clients such as ABSA, Investec, and Old Mutual. Africa accounted for approximately 17 per cent. of Elixirr's revenue for 2019. There are two FTEs in South Africa. Elixirr delivers most of its projects to South African clients by using UK-based employees on a rotational basis for the duration of the associated project who either fly in to South Africa or work remotely.

US – Elixirr identified the US as a key target market with a significant number of companies that would benefit from its offering. As a result, Elixirr recruited a US-based Partner in Dallas, Texas in 2016. Since then, Elixirr has worked with clients such as Bank of the West, Delta Dental, and Lincoln Financial Group. The US accounted for approximately 15 per cent. of Elixirr's revenue for 2019. There are 14 FTEs based in the US, comprising one Partner and 13 additional staff. Elixirr seconds UK-based employees to the US for 6-12 months at a time to enable the US employees to understand the Elixirr 'way of doing things', quality expectations, and culture.

Rest of World – Elixirr works with numerous clients across the globe including ABB, BNP Paribas, and LVMH. The Rest of World accounted for approximately 22 per cent. of Elixirr's revenue for 2019.

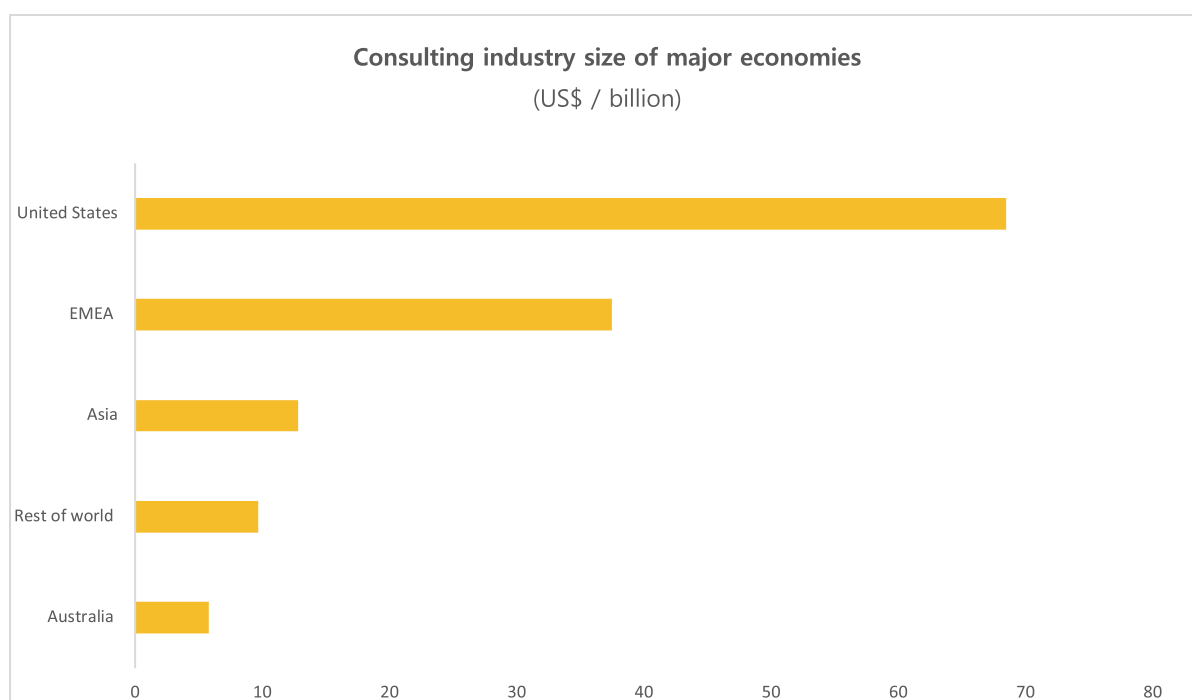
8. MARKET OVERVIEW

Elixirr operates in the global consulting market which was estimated to be worth \$134 billion³ in 2019 and has experienced strong year-on-year growth of approximately 4 per cent. over the past eight years. The market presents a significant opportunity for Elixirr, as there continues to be demand for consulting services globally and Elixirr's penetration of the overall consulting market is currently increasing at a faster rate than the growth of the global consulting market, suggesting that the Company is increasing its market share of the global consulting market.

As described above, Elixirr has and continues to diversify its core services, which allows it to enter a wider variety of markets, geographies and industries. In addition, the flexibility afforded to Elixirr by virtue of its size and structure (when compared to its competitors), allows Elixirr to capitalise on emerging market trends in a way that the Board believes its larger competitors typically cannot match. An example of this is that the Company set up its Global Innovation Network in Silicon Valley in two months from initial idea to a proposition that could be offered to clients. The Board believes that it would have taken some of its larger competitors a significantly longer amount of time to do likewise.

The Board believes that Elixirr is in a strong position as a result of its reputation, offering and client base to now further penetrate its existing markets, as well as to enter new ones.

Market Sources: ³<https://www.consultancy.com.au>; Source Global Research database, 2019



Market Opportunity – Geography

In the markets where Elixirr's business is focused, spend on consulting in 2019 was as follows: USA, \$68.5 billion; EMEA, \$37.5 billion; Asia, \$12.8 billion; Australia, \$5.8 billion; and Rest of World, \$9.7 billion, with each geography growing at a CAGR of at least 4 per cent.³ between 2011 and 2016.

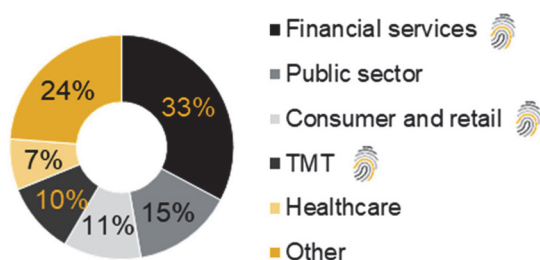
Elixirr's international expansion strategy is focused on accessing the largest and most lucrative markets or geographies, but the Company will only enter into that geography with certainty of demand/signed contracts in order to grow organically. This allows Elixirr to then leverage the opportunity of working in a new geography to expand into other clients without the need for additional investment. A key geography for continued expansion by Elixirr is the US. It is the largest consultancy market in the world, and as Elixirr has already grown significantly in the US since 2016, the Board believes there are continued growth opportunities for Elixirr there. Elixirr also intends to build on its existing offering in Australia and to open up a new 'offshore' offering focused on the Channel Islands and Luxembourg, having been taken into these jurisdictions by current clients. The Board believes that these geographic markets offer the potential for new business.

Market Opportunity – Industries and Solutions

Elixirr has worked in a number of industries, but the majority of its revenue to date has derived from the financial services industry which has historically dominated overall global consulting spend. Elixirr’s strategy has been to align its offerings and industry coverage to target sectors within the financial services industry with significant consulting spend and future growth, such as banking and insurance. There are certain industries that historically spend a lot on consultancy, such as Public Sector, Healthcare and Energy, in which Elixirr currently does little or no work. The Board believes that these industries offer significant future business opportunities for Elixirr.

With regards to the solutions offered, digital and technology consulting services is becoming one of the fastest growth areas of the consulting market. The Board believes that Elixirr has strong and established capabilities within this area particularly since its acquisition of Den Creative, and Elixirr’s strategy is to continue to take advantage of this continuing and growing trend.

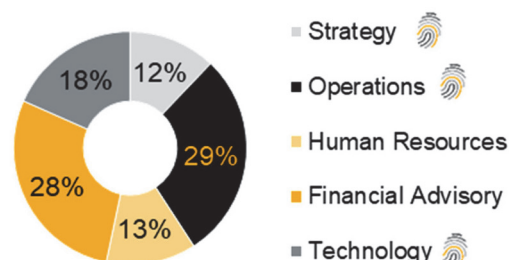
Consulting Spend by Industry



Source: Source Global Consulting

 = Elixirr focus area

Consulting Spend by Service Area



Source: Consultancy.uk; Clairfield International; Forrester Research 2017

Competition

Elixirr operates in a market with different groups of competitors ranging from strategy houses to large professional services organisations, but the Board believes that it is differentiated by its client revenue model and Global Innovation Network, as well as the practical and impactful nature of the solutions it offers clients.

The Board considers key competitors to include the “Big Four” accounting firms, being PwC, KPMG, EY and Deloitte; ‘Strategy Houses’ such as MBB; other management consultancies such as OC&C and Kearney; and other creative agencies such as Accenture Interactive and Deloitte Digital. The Board believes that Elixirr offers a full range of services which is not replicated collectively by any of its competitors, providing Elixirr with a competitive edge.

Further, an independent survey of 16 of Elixirr’s key clients commissioned by the Company from an independent provider in 2019 revealed Elixirr’s quality of delivery to be better than that of its competitors, and that its clients generally consider its direct competition to be MBB. Clients rated Elixirr an average of 8.6/10 for Overall Performance, giving competitors including MBB 6.5/10 in the same process – a 32 per cent. difference in ratings.

Of 14 disciplines in the survey as set out in the figure below, Elixirr outperformed its competitors in 10 including:

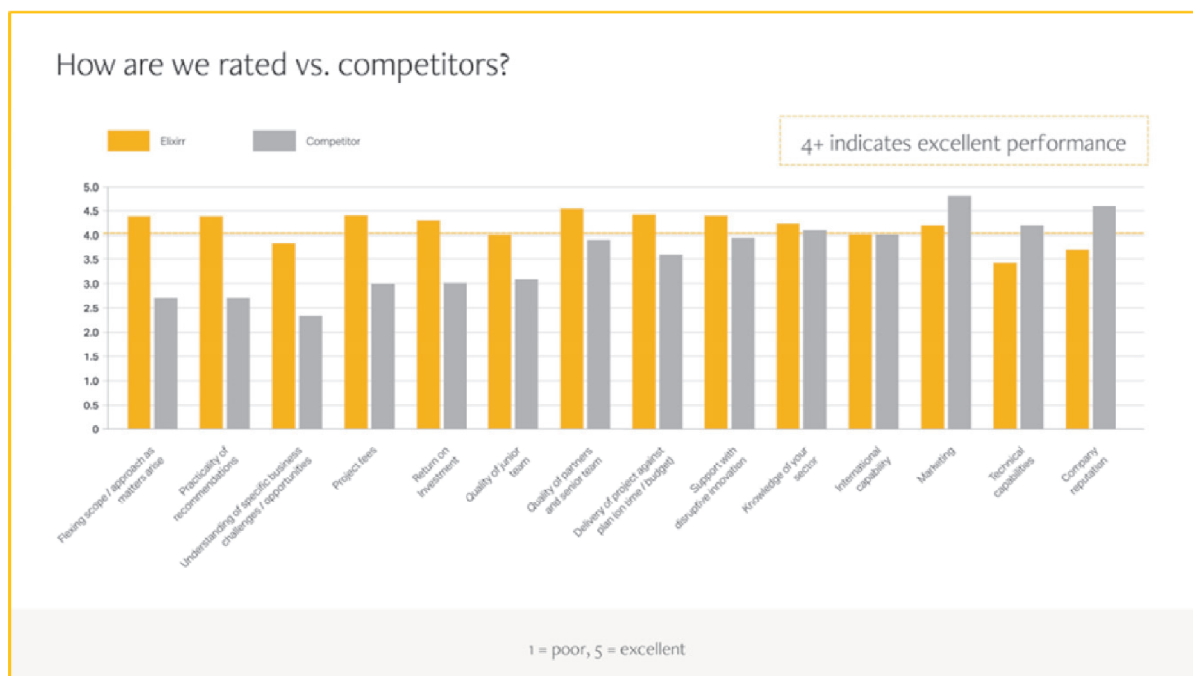
- “Practicality of Recommendations”;
- “Return on investment”;
- “Quality of teams”; and
- “Knowledge of sector”.

The competition outperformed Elixirr in a total of three of the 14 areas, being:

- “Marketing”;

- “Technical capability”; and
- “Company reputation”.

However, given Elixirr’s scale compared to its well-established international competitors and disparities in marketing budgets, the Board believes the comparison to be a highly positive reflection of Elixirr’s performance.



Along with quantitative research, Elixirr’s clients were interviewed at length, with notable comments from senior clients including:

“Elixirr is so different to other firms. Very few strategic companies can do the strategic thinking in the engine room rather than at the board level.”

“Quality assurance at partnership level is excellent. The partners are very hands on, and the work is very high quality.”

“What differentiates Elixirr is that their people have that intersecting skill set. In other bigger firms, people have more discrete skill sets. I see Elixirr in a cross section of digital design and management consulting, which is helpful because if you only have one perspective you don’t get the full outcome you’re looking for.”

Elixirr also collaborates with a select number of its competitors, typically where competitors need Elixirr’s expertise and capabilities to meet their own clients’ demands. These collaborations allow Elixirr to further develop new direct client relationships and develop additional revenue opportunities.

9. THE GROUP’S GROWTH STRATEGY

Historically, Elixirr has pursued an organic growth strategy, diversifying itself across Partners, industries, geographies and capabilities, and by doing so has delivered revenue growth at a CAGR of 32 per cent. from FY12 to FY19. The Company has started to implement an acquisition strategy through the purchase Den Creative to complement Elixirr’s existing offering.

Organic Growth

Organic growth has been achieved since inception through the following means, and the Board expects this to continue going forward:

New client wins – Elixirr has grown its client base from fewer than 10 clients in 2012 to working with over 100 clients in FY19 and FY20 alone. Going forward, Elixirr will continue to focus on increasing client numbers, both through Elixirr's network, referrals, repeat clients, new partners, and experienced hires, continued marketing/sales strategies and strategic partnerships where appropriate.

Existing client penetration – A KPI that Elixirr monitors is the number of clients that generate over £0.5 million in fees within a financial year. In 2012, only one client delivered this compared to the 14 that did in 2019. Elixirr has been able to grow this by not only winning larger contracts with clients, but also through the continued cross/up-selling of its services to its existing clients. In order to do so, the Company proactively manages its client relationships and looks to move its clients through the lifecycle as relationships become more embedded.

New partners – Elixirr continues to grow organically by hiring new and experienced revenue generating partners through external hires and internal promotions. As at the date of this document, Elixirr has 16 Partners. A strong group of Partners and the continued expansion of this allows Elixirr to leverage their networks to gain new clients and to also cross-sell existing capabilities.

Geographic penetration – Since inception, Elixirr has grown its global presence from London to now span five continents. As a result of this expansion, international revenue now accounts for approximately 51 per cent. of Elixirr's total revenue. As described above, the Board believes that the US is a key geography for further expansion given the total market size and what the Board believes to be demand for Elixirr's compelling offering. Elixirr has therefore applied significant focus to the expansion of its US business. Elixirr also intends to build on its existing offering in Australia and to open up a new 'offshore' offering focussing on the Channel Islands and Luxembourg, having been taken into these jurisdictions by current clients and seeing the potential for new business.

Inorganic Growth

Whilst historically Elixirr has not been actively acquisitive, in 2017, the Company acquired Den Creative, a creative design agency, to complement Elixirr's existing offering. Since acquisition, Elixirr has tripled Den Creative's annual revenues through expanding Den Creative's own client base and cross-selling Den Creative's services to many of Elixirr's most important existing clients.

Going forward, and following the success of Den Creative, Elixirr is exploring the potential to pursue a buy-and-build strategy to accelerate the overall growth of Elixirr and has identified and analysed a pipeline of over 30,000 potential acquisitions to enhance one or more of Elixirr's capabilities, industries or geographical coverage. The Company aims to work with founders of high quality boutique firms to accelerate their growth under a 'House of Brands' strategy, allowing each firm to maximise their collective strengths, whilst retaining control of their own brands respectively. Of the target firms identified, Elixirr is currently in preliminary discussions with six of them.

Target Capabilities – Elixirr would seek acquisition opportunities that add one or more of the following capabilities: regulatory and compliance, cyber security, digital and creative, deal advisory, advanced analytics, robotics process automation, cloud migration, and agile/lean six sigma.

Target Geographies – As described above, Elixirr believes that the US is a key geography for expansion, with a particular focus on New York City. In addition to this, target geographies for further growth are: the UK, Asia (with a key focus on China, India and Singapore), and Mainland Europe. However, as with target capabilities, if an interesting alternative opportunity arose, the Board would consider it in light of client demand and the market opportunity.

10. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Brief biographies of the Directors and the Senior Management of the Group are set out below. Paragraph 6.4 of Part IV of this document contains further details of current and past directorships and certain other important information regarding the Directors.

10.1 **Directors**

Gavin Echlin Patterson, aged 52 – Independent Non-Executive Chairman

Gavin joined Elixirr as Non-Executive Chairman in 2019 following his role as Chief Executive of BT Group from 2013 to 2019. Gavin is currently President and CEO International of Salesforce and is and has previously been Non-Executive Director of a number of companies including British Airways, Delta Fiber, Fractal Analytics and So Purple Group. During his tenure as Chief Executive of BT Group, Gavin oversaw the expansion into content through sport, mobile and convergence with the acquisition of EE and accelerated the roll-out and take-up of superfast and ultrafast fibre. Gavin has had an extensive career across the media, advertising and consumer goods industries, and in addition to Salesforce and BT Group has worked in an executive capacity for Virgin Media and Procter & Gamble. Gavin is currently a Trustee of the British Museum and has previously been President of the Advertising Association, on the President's Committee of the Confederation of British Industry and on the International Business Council Board of the World Economic Forum.

Stephen Alexander Newton, aged 50 – Chief Executive Officer

Stephen is Chief Executive Officer and Co-Founder of the Company and has over 25 years' experience in transformational change and strategy. Prior to co-founding Elixirr, Stephen worked in the consulting industry for 25 years specialising in transformational change, strategy and sourcing, having been a Managing Partner at Accenture immediately prior to Elixirr and also was previously a Financial Services Partner at IBM. Stephen is a chartered accountant having qualified at KPMG. Over his career, Stephen has advised boards of some of the world's leading companies across multiple industries and in 2019 was listed as a Global Leader in Consulting, recognised for 'Excellence in Influence' by Consulting magazine.

Graham Edward Busby, aged 37 – Chief Financial Officer

Graham is Chief Financial Officer and Co-Founder of the Company, having previously worked for Accenture. Graham was previously Marketing and Sales Director for the Company, focusing on the Company's growth in the period and continues this focus in his role as Chief Financial Officer, to which he was appointed in 2019. Prior to Elixirr, he was a member of the Global Mega-Deal Team at Accenture which was an 8-person team responsible for shaping and selling multi-functional transformational deals worth over \$500 million to clients in all industries and geographies.

Ian James Anthony Ferguson, aged 60 – Executive Director and General Counsel

Ian is General Counsel and Co-Founder of the Company and has over 35 years' experience in advising on commercial transactions across numerous sectors and geographies. Ian has previously been a partner at Olswang Asia, partner at Pillsbury Winthrop Shaw Pittman and partner at Allen & Overy where he was Global Head of the communications media technology group and co-head of the international outsourcing practice.

Simon James Retter, aged 38 – Independent Non-Executive Director

Simon joined Elixirr in December 2019 as a consultant and will join the Board immediately prior to Admission as Independent Non-Executive Director. He has over 10 years' experience working with public companies, particularly AIM-quoted companies. Simon started his career at Deloitte where he qualified as a chartered accountant. Since then, Simon has acted as Finance Director for a number of small cap companies, assisting in several admissions to AIM. Simon has had a range of Chief Financial Officer and Non-Executive Director roles including at Hard Rock Café, Horizonte Minerals and Paragon Diamonds Ltd.

Charlotte Alexandra Stranner, aged 40 – Independent Non-Executive Director

Charlotte became a consultant to the Company in April 2020 and will join the Board immediately prior to Admission as Independent Non-Executive Director. Before joining Elixirr, Charlotte was a partner at previously AIM-quoted MXC Capital, a technology, media and telecoms investor and adviser. During her time at MXC Capital she was Interim Chief Financial Officer at AIM-quoted IDE Group which is an investee company of MXC Capital. Her role at IDE Group included arranging emergency funding in May 2019 at which point she became interim Chief Financial Officer to assist in the restructuring of the group. Prior to MXC Capital, Charlotte was a Corporate Finance Director at finnCap Ltd. She is a chartered accountant, having qualified at Moore Stephens.

10.2 **Senior Managers**

The Directors are supported by the following Senior Management:

Clare Valerie Filby aged 51 – Chief Operating Officer

Clare joined the Group in 2014. Clare has over 20 years' experience shaping and leading large-scale transformational consulting, business process outsourcing (finance and HR) and IT outsourcing projects, having managed outsourced services provision in excess of 1,000 FTEs. Clare runs and sponsors the Elixirr Foundation. Before joining Elixirr Group, Clare was a senior client partner at Accenture, also working as its UK products Chief Operating Officer. Within these roles, Clare was Accenture's lead for the UK automotive, industrial, travel and transportation industry and led the business systems integration consultancy practice. Clare has led digital and multichannel projects for large clients around the world.

Eric Rich, aged 50 – Head of US business

Eric joined the Group in 2016. Based in Texas, Eric is Elixirr Group's head of the US business. He has more than 25 years of consulting experience in advising clients around innovation, operating models and design thinking, technology-enabled business transformation, and cost reduction / process improvement initiatives. Eric has spent his career working on complex transformation programs for some of the world's largest global companies across most major industry segments and geographies, while effectively utilising a global delivery model.

Before joining Elixirr Group, Eric was one of the founding partners of Infosys Consulting, where he led the consulting business across all major geographies and consulting service offerings. Eric held various executive leadership positions including Managing Partner for the North America management consulting business, Chief Operating Officer of global consulting operations and a member of the Leadership council. At the start of his career, Eric spent 10 years with PricewaterhouseCoopers LLP and two years with IBM, focused on ERP transformation consulting.

Brandon Bichler, aged 47 – Head of Sales and Marketing Officer

Brandon joined the Group in 2014. Brandon has over 20 years' experience in building and growing businesses in the tech, consumer, travel, manufacturing, financial services and automotive sectors. As Elixirr Group's Chief Sales and Marketing Officer, he leads the sales and marketing functions, simultaneously managing some of the largest client accounts. His expertise with start-ups and innovation allows Brandon to also lead Elixirr Group's 'Global Innovation Network' across 9 major cities. This expertise also allows him to help his clients create environments that allow innovation to thrive within their respective organisations.

Before joining Elixirr Group, Brandon was a partner at Infosys Consulting where he led the manufacturing and process transformations in the USA and was an integral part of driving significant change within the company. During this time, he gained expertise in customer operations and sales working with globally-recognised clients such as Exxon-Mobil, BP, Procter & Gamble, Honda, SITA and ABB.

Nicholas (Nick) Willott, aged 51 – Finance Director and Company Secretary

Nick joined the Group in 2020. He was previously the Finance Director and executive board director of the financial services division of a FTSE 250 company, where he had P&L responsibility for £1 billion of sales of foreign exchange cash, prepaid cards, gift cards and insurance, as well as building a new B2B insurance business and launching new digital products.

Nick has 25 years of experience in senior finance roles, having held a number of Finance Director roles, as well as leading global M&A, restructuring and cost transformation programs. He brings experience of corporate and start-ups structures, and first-hand knowledge of working in the UK, US and Australian markets. Nick is a Chartered Accountant, having qualified at Deloitte and worked as a Director in M&A Advisory. He has held a number of previous board directorships, including at Thomas Cook Money Limited, VA Insurance Services Limited and The Airline Group Limited, and is currently a board member and Chair of the Audit and Risk Committee at the University of Hertfordshire.

10.3 Employees

The Directors believe that the recruitment, motivation and retention of highly skilled, high quality personnel is fundamental to its ability to continue to meet the requirements of its clients and to its continuing success.

On 3 July 2020, the Group had a total of 111 employees as follows:

Client Facing Partners	11
Non-Client Facing Partners	5
Management	10
Principal	12
Manager	15
Consultant	22
Analyst	19
Creative	17
Total	111

11. SUMMARY FINANCIAL INFORMATION

The following summary of financial information relating to the Elixirr LLP Group's activities for the three years to 30 April 2019 and the Group's activities for the six months to 31 December 2019 has been extracted without material adjustment from the financial information on the Group set out in Part III of this document. **In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read this document as a whole and not rely solely on the key or summarised information in this section.**

	Elixirr LLP Group			Group	
	<i>12 months ended 30 April 2017 £'000</i>	<i>12 months ended 30 April 2018 £'000</i>	<i>12 months ended 30 April 2019 £'000</i>	<i>6 months ended 31 December 2019 £'000</i>	<i>Annualised FY 2019* £'000</i>
Revenue	13,095	17,019	21,217	13,132	26,263
Gross profit	6,040	7,802	10,064	4,483	8,967
Gross profit margin	46%	46%	47%	34%	34%
Adjusted EBITDA**	5,285	6,466	8,671	3,696	7,392

**unaudited, based on Group performance for 6 months ended 31 December 2019.*

***adjusted EBITDA represents operating profit, adjusted for depreciation, amortisation, impairments of intangible items and exceptional items.*

12. CURRENT TRADING, OPERATIONAL TRENDS AND PROSPECTS

Since the financial year ended 31 December 2019, the Group has traded well with revenues and margins proving resilient in the face of the COVID-19 pandemic. In fact, the Group has won mandates assisting with the transition to remote working and facilitating the business shifts necessary to cope with the anticipated change to customer habits. June 2020 represented a record month for the Group in terms of revenue recorded.

As such, the Board anticipates that the Group's revenue will be strong in the current financial year, with operating margins expected to be in line with historic performance. The Group continues to trade in-line with the Directors' expectations.

The Board sees further opportunities arising from the current change reverberating through its core clients' industries. This, alongside a strong financial performance in the first half of the year, good visibility over current work-in-progress and pipeline opportunities and a belief in the fundamental growth strategy and business model, give the Directors confidence in the Group's prospects for the current financial year and beyond.

13. REASONS FOR THE PLACING AND USE OF PROCEEDS

The net proceeds of the Placing receivable by the Company are approximately £18.1 million. The net proceeds will be applied principally to finance strategic acquisition opportunities that may arise from time to time and to pay down the entirety of the indebtedness outstanding to Coutts and certain founders of the Company being £1.25 million and £3.54 million respectively and as more fully detailed at paragraphs 11(e) and 11(k) of Part IV of this document.

The Directors believe that Admission will be beneficial to the Group for the following reasons:

- it will raise the profile of the Group;
- the Group will be better positioned to attract, recruit and retain key employees who may be further incentivised through the EMI Scheme;
- it will provide the Group with more flexibility for further growth; and
- the Company will be able to issue new Ordinary Shares as consideration in connection with acquisition opportunities.

In addition the Placing will provide a partial realisation for the Selling Shareholders who will be raising approximately £5.0 million from the sale of the Sale Shares in the Placing.

14. DETAILS OF THE PLACING AND ADMISSION

The Company, the Directors, the Selling Shareholders and finnCap have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, finnCap has conditionally agreed to use its reasonable endeavours to procure subscribers for the New Ordinary Shares to be issued by the Company and purchasers for the Sale Shares to be sold by the Selling Shareholders under the Placing. The Placing has not been underwritten. The Placing Shares represent approximately 25.5 per cent. of the Enlarged Share Capital.

The Placing will raise approximately £20.0 million (before expenses) for the Company.

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

The Placing Agreement is conditional, *inter alia*, upon Admission having become effective by not later than 8.00 a.m. on 9 July 2020 or such later time and date, being not later than 5.00 p.m. on 31 July 2020, as the Company and finnCap shall agree.

Further details of the Placing Agreement are set out in paragraph 11 of Part IV of this document and the terms and conditions of the Placing are set out in Part V of this document.

15. LOCK-IN ARRANGEMENTS AND RELATIONSHIP AGREEMENT

15.1 *Lock-in arrangements*

Each of the Directors and certain Shareholders (together the “**Covenantors**”), holding, in aggregate, 83.9 per cent. of the Existing Ordinary Shares and 61.7 per cent. of the Enlarged Share Capital, has undertaken to the Company and finnCap (subject to certain limited exceptions including transfers to family members or to trustees for their benefit, disposals by way of acceptance of a recommended takeover offer of the entire issued share capital of the Company, or otherwise with the prior consent of finnCap and the Company) not to dispose of the Ordinary Shares held by each of them (and their connected persons (within the meaning of section 252 of the Act)) (the “**Restricted Shares**”) at Admission or any other securities issued in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission (the “**Lock-in Period**”) without the prior written consent of finnCap or the Company.

Furthermore, each of the Covenantors has also undertaken to the Company and finnCap not to dispose of the Restricted Shares for the period of 12 months following the expiry of the Lock-in Period otherwise than through finnCap.

Further details of these arrangements are set out in paragraph 11 of Part IV of this document.

15.2 **Nominee Agreements**

In addition, certain employees holding Existing Ordinary Shares have entered into Nominee Agreements, whereby the legal title of their Existing Ordinary Shares are held by the Trustee, as nominee under the terms of the Nominee Agreements, further details of which are set out in paragraph 9 of Part IV of this document.

15.3 **Relationship Agreement**

In light of Stephen Newton's aggregate shareholding in the Enlarged Share Capital immediately following Admission, Stephen Newton has entered into the Relationship Agreement in order to regulate the relationship between him and the Company.

Further details of the Relationship Agreement are set out in paragraph 11 of Part IV of this document.

16. **CORPORATE GOVERNANCE**

AIM quoted companies are required to state which recognised corporate governance code they will follow from admission of their shares to trading on AIM and how they comply with such code and to explain reasons for any non-compliance. The Directors recognise the value and importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to comply with the recommendations set out in the QCA Code.

16.1 **The Board**

The Board is responsible for the overall management of the Group including the formulation and approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. While the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will meet regularly to review performance.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. On Admission, the Board will comprise six Directors, of whom three are executive and three are non-executive. The Board considers each of the non-executives, being Gavin Patterson, Simon Retter and Charlotte Stranner, to be independent and, as such, the Company complies with the requirements of the QCA Code.

The QCA Code recommends that the Board should appoint one of its independent non-executive Directors to be the Senior Independent Director. The Board considers that, given the size of the Company and the number of independent Non-Executive Directors, the Board does not need to appoint a Senior Independent Director.

With effect from Admission, the Board has established an audit and risk committee (the "**Audit and Risk Committee**") and a remuneration committee (the "**Remuneration Committee**") with formally delegated responsibilities. Given the size of the Board, it does not intend to establish a separate nominations committee and recommendations for appointments to the Board will be considered by the Board as a whole after due evaluation.

16.2 **The Audit and Risk Committee**

The Audit and Risk Committee will be chaired by Charlotte Stranner. Its other member will be Simon Retter, while Graham Busby as Chief Financial Officer and Nicholas Willott as Finance Director will be permitted to attend meetings on audit matters and Ian Ferguson, as General Counsel, will be permitted to attend meetings where risk matters are being discussed. The Audit and Risk Committee will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit and Risk Committee

will have unrestricted access to the Company's auditors. Further, the Audit and Risk Committee will advise the Board on the Group's overall risk appetite and strategy including, *inter alia*, regularly reviewing and updating (if appropriate) the risk assessment processes in place, including in relation to remuneration and compliance functions, and assisting in overseeing implementation of the adopted strategy.

The Audit and Risk Committee will meet not less than four times a year.

16.3 **The Remuneration Committee**

The Remuneration Committee will be chaired by Gavin Patterson. Its other members will be Simon Retter and Charlotte Stranner. Stephen Newton, as Chief Executive Officer, will have the right to attend meetings of the Remuneration Committee. The Remuneration Committee will review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The remuneration and terms and conditions of appointment of the non-executive directors of the Company will be set by the Board.

The Remuneration Committee will meet not less than twice a year.

16.4 **Share dealings**

The Company has adopted a share dealing code, with effect from Admission, for Directors and applicable employees (as defined in the AIM Rules for Companies) of the Group for the purpose of ensuring compliance by such persons with the provisions of Rule 21 of the AIM Rules for Companies and MAR relating to dealings in the Company's securities. The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company will take appropriate steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of MAR.

17. **DIVIDEND POLICY**

The declaration and payment by the Group of any future dividends on the Ordinary Shares and the amount will depend on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. The Company intends to pursue a progressive dividend policy for Shareholders.

18. **EMPLOYEE SHARE SCHEMES**

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group.

Accordingly, the Company has established the EMI Scheme.

Further details of the EMI Scheme are set out in paragraph 9 of Part IV of this document. Details of options currently held by the Directors are set out in paragraph 7 of Part IV of this document. It is currently intended that the EMI Scheme will continue to be used to provide share incentives to Directors and key employees. Following Admission, the Company intends to grant options on terms that reflect market practice for AIM quoted companies of an equivalent size operating in comparable industries.

In addition, the Company has established the Employee Benefit Trust as a discretionary trust, for the benefit of employees of the Group. Ordinary Shares held in the Employee Benefit Trust are intended to be used to satisfy certain options to be granted under the EMI Scheme.

The Employee Benefit Trust will also hold the legal title of the Existing Ordinary Shares held on behalf of certain employees of the Company under the Nominee Agreements.

Further details of the Employee Benefit Trust and the Nominee Agreements are set out in paragraph 9 of Part IV of this document.

19. TAXATION

Information regarding taxation in relation to the Placing and Admission is set out in paragraph 10 of Part IV of this document. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

20. THE CITY CODE ON TAKEOVERS AND MERGERS

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

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

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

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

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

The Panel considers the Founders as persons acting in concert for the purposes of the City Code.

On Admission (following the Placing), the Concert Party will hold 22,923,652 Ordinary Shares, in aggregate, representing 50.7 per cent. of the Enlarged Share Capital. Since the Concert Party will together hold more than 50 per cent. of the Enlarged Share Capital on Admission (following the Placing), and for so long as this remains the case, it will normally be free (subject to Note 4 on Rule 9.1 and subject to Panel consent) to increase its aggregate holding of Ordinary Shares without any obligation to make a general offer for the Company under Rule 9. Stephen Newton will individually hold more than 30 per cent. but less than 50 per cent. of the Enlarged Share Capital, and for so long as this remains the case, he will only be able to acquire further interests in Ordinary Shares in the manner set out in Note 4 of Rule 9.1, with Panel consent, or by making a mandatory offer under Rule 9 of the City Code.

As set out in paragraph 7 of Part IV of this document, each of Graham Busby and Ian Ferguson have been granted options under the EMI Scheme to subscribe for 94,000 and 15,600 new Ordinary Shares respectively (the "**CP Options**"). To the extent that the exercise of the CP Options increases the Concert Party's interest in Ordinary Shares through a Rule 9 threshold (for example, should the CP Options be exercised when the aggregate interest of the Concert Party has reduced to less than 50 per cent. of the Enlarged Share Capital), the Panel has confirmed that any such increase would not trigger an obligation to make a mandatory offer pursuant to Rule 9 on the basis that the consequence of such increases have been fully disclosed in this document.

Further details concerning the shareholdings of the Concert Party are set out in paragraph 7 of Part IV of this document.

21. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 9 July 2020.

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

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such person is a "system member" (as defined in the CREST Regulations) in relation to CREST. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

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

22. FURTHER INFORMATION

Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company and to Parts III to V of this document which contain further additional information on the Group and the Placing.

PART II

RISK FACTORS

Investing in and holding Ordinary Shares involves financial risk. Prior to making an investment decision, prospective investors in the Ordinary Shares should carefully review all of the information contained in this document and should pay particular attention to the following risks associated with an investment in the Ordinary Shares, the Group's business and the industry in which it participates.

The risk factors set out below apply to the Company and Group as at the date of this document. The risk factors which are most material, in the assessment of the Company, are set out first.

The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industry in which it participates or an investment in the Ordinary Shares. They comprise the material risks and uncertainties in this regard that are known to the Company and should be used as guidance only. Additional risks and uncertainties relating to the Group and/or the Ordinary Shares that are not currently known to the Company, or which the Company currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline and investors could lose part or all of their investment.

Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand any part of this document.

RISKS RELATING TO THE GROUP'S BUSINESS

1. Concentration of key customers

Whilst the top three clients of the Company do change each year (as new clients undertake large change programmes, for example), they have accounted for 40 per cent., 42.5 per cent., and 34.5 per cent. of the Company's global revenue in the years ended 30 April 2019, 30 April 2018 and 30 April 2017 respectively.

The loss of one or more of these key clients to a competitor or otherwise could lead to an adverse effect on the Company's revenue and profitability.

2. The Company has high exposure to the financial services sector

The Company has a high number of customers that operate in the financial services sector. Whilst the financial services sector traditionally accounts for the highest proportion of investment in consulting services and is a large and varied sector with a multitude of sub-sectors, many of which the Company has a track record of working in, from time to time, the financial services sector experiences slowdowns due to cyclical fluctuations and/or a decline in general economic conditions which could result in lower levels of investment on consulting services. The Company's performance may be adversely affected by a downturn in the financial services sector.

3. COVID-19

The recent outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted economic conditions globally and is having an adverse and disruptive effect on the UK economy. The Company's way of operating has adapted and is likely to need to continue to adapt over the coming months in response to the developments relating to the COVID-19 outbreak.

If the COVID-19 pandemic continues for a prolonged period of time, this may result in delays to existing mandates and delays in receiving payments from clients, and may result in existing mandates being deferred or cancelled or the Company failing to secure new business. The COVID-19 pandemic may

therefore have an adverse effect on the Company's business, cash flows, profitability, results of operation and financial condition.

4. ***Revenue growth is reliant on the ability to cross-sell and up-sell new services to existing clients and to win new clients***

The Company's future fee income and profit growth will depend largely on generating demand for its services, which is driven in part by the Company's continued ability to develop relevant services that adapt to client requirements. There can be no assurance that the Company will continue to be successful in selling new services to existing clients or selling services to new clients. There is a risk that the Company may exhaust the available services that it is able to cross-sell or up-sell to existing clients and therefore may lose the client, either through natural attrition or due to the client wishing to use another consultancy for a specific project. Given the Company has enjoyed a consistent supply of repeat business from clients, a reduction in the amount of work sold to existing clients could result in a reduction in the Company's revenue and profitability. Given Elixirr's (and the consulting market's in general) business model – consulting projects that typically last an average of 4-8 weeks at a time – the Company has sight of the next three months of revenue at any one time with high degrees of accuracy. Past three months forecasting accuracy decreases with time, meaning Elixirr is no different to other consulting companies in not knowing exactly where revenue will come from in later months, but works on the assumption that the business will extend current projects, win new projects with current clients, and win new projects with new clients to drive hitting revenue targets and growing the business.

5. ***Results may vary periodically***

The Company's revenue, operating results and profitability have historically seen variations from quarter to quarter which makes them difficult to predict. As a result, there is the risk that there may be periodic variations in the Company's financial performance. There are many factors which may cause these fluctuations such as business decisions of clients relating to the use of our products and services; the natural timing of projects beginning and concluding; the ability to transition employees between a completed project and a new engagement; the introduction of new products and services by Elixirr or its competitors; change in the Company's pricing policies or the policies of competitors; the ability to manage costs; costs related to the acquisition of other businesses; and the global macroeconomic conditions at the time.

6. ***Currency and exchange rates***

The Company presents its financial statements in UK pounds sterling but has material business units operating in Europe, USA, South Africa and Australia (and may choose to expand elsewhere), that in some cases generate revenues and costs in other currencies. To the extent that the Company does not hedge against currency fluctuations, the income and cash flow generated by those international operations, and the value of any assets located outside of the UK, may fluctuate with exchange rates. This could result in either an adverse effect or a positive effect on the Company's financial performance and position.

7. ***The Company's forecasted growth could lead to outgrowing the current support infrastructure***

The Company has strong forecasted organic and inorganic growth for the coming years and if the Company does not continue to upgrade its information technology support and infrastructure as this growth occurs, then it could expose the Company to the risks of data loss, cyber-attacks and internal leaks. These rapid growth plans are based on the Company's ability to apply its existing infrastructure (including information technology systems) across a growing core business and across acquired businesses. It cannot be guaranteed that any such data loss is adequately insured against or mitigated by alternative solutions provided by the Company's existing infrastructure. As a provider of advisory services and products, the risk of data loss to the Company's information technology infrastructure poses a threat to the functionality of the Company's business. The Company works with a selection of technology platform providers and outsourced service providers. The Company utilises the individual data recovery procedures from each information technology service provider where each adopts their own data loss protocol. Outside of these external measures, the Company uses cloud service providers to back up and protect its key data in the Cloud. Should any data loss occur, it could adversely affect the Company's financial performance.

8. ***Ability to retain key personnel***

The Company benefits from an experienced team of consultants, most of whom have many years of experience in the management consultancy industry. The Company's ability to generate fees from existing and new customers in the future is reliant on its ability to continue to offer the expertise of experienced consultants and, to an extent, is also reliant on the relationships that these individuals have with their clients, albeit all key client relationships have multiple touch-points with a variety of experienced consultants. The Company's clients often provide repeat business due to the quality of work and the value added by its consultants, so the loss of key experienced consultants could, therefore, increase the risk of not winning repeat work or missing out on significant new contracts, which could result in an adverse effect on the Company's financial results.

Some of the Company's competitors have greater financial resources due to their scale and international presence, and there is a risk that these competitors increase attempts to attract the Company's consultants. The loss of the services of one or more of the Company's experienced consultants may result in an adverse impact on the Company's performance and future success.

The Company's Partners have entered into senior employee agreements with the Company or a subsidiary of the Company, but there can be no certainty that these individuals will remain with the Company in the future.

9. ***Damage to professional reputation or potential legal liability if clients are not satisfied with the Company's services***

As a boutique professional services firm, Elixirr depends to a large extent on its client relationships and reputation for top-rate bespoke professional services and integrity to attract and retain clients. As a consequence, if a client is not satisfied with the product or services provided, it may be more detrimental to the business than businesses in other market sectors. Likewise, if contractual agreements are not met or financial arrangements with any alliance partners are not disclosed, the Company risks legal liability and loss of client relationships.

10. ***Low barriers to entry***

Whilst the Company's market and industry expertise and key differentiators represent a barrier to entry, the Company operates in a competitive environment that includes large international consultancies and a number of smaller niche players. There are very low start-up costs for any new entrant into the market and the Company cannot prevent any person or organisation from replicating the Company's business model. There is a risk that an existing competitor or a new entrant may over time be able to achieve similar success to the Company and actively win work from the Company's existing clients.

Larger competitors may, in the future, adopt more aggressive expansion strategies, which could include hiring additional experienced consultants and changing their business model and service offering to one that is directly comparable to that of the Company. Indeed, some of the Company's competitors have arguably already done so, but with limited impact on the Company so far. This could result in a loss of clients from the Company to larger competitors and a consequential adverse impact on the financial performance of the Company.

11. ***Revenue growth is partly reliant on attracting new revenue generating personnel to expand existing services and lead new service offerings***

Expanding the Partner team is an important facilitator of organic growth for the Company, with new experienced Partners recruited to help increase revenues. Delays in hiring, or retention of those hires could have an impact on the Company's long-term growth. Any significant delay in a newly hired experienced Partner generating new fee income, be it due to cultural differences, lack of relationships, systems or personality, could also adversely affect the Company's financial performance. There is consistently a lead time between hiring a new Partner and that Partner generating revenue, which the Company aims to accelerate through support of existing Partners, but there is a risk that new hires may require substantial time in order to start generating significant revenue, and there can be no assurance that any Partner hired to develop a new service offering will be successful.

12. ***Use of contractors***

The Company uses a small selection of independent contractors where there is a commercial need outside of the expertise of those employees within the business. For example, where a contractor

provides a specialised skill or experience in delivering a specific service or product. The Company maintains a database of previously used contractors and, where new contractors are brought in, they are thoroughly vetted to ensure their skillset matches the quality of service that the Company expects to deliver. Independent contractors are typically paid a pre-agreed day rate by the Company, and the contractor is responsible for paying an associated tax but does not benefit from any employment rights. If there is a change in that classification, due to a change in employment law and/or tax law, then there is a risk that some or all of these small number of contractors may be classified as workers or employees. Such a change could result in liabilities such as tax, which may have an adverse effect on the Company's financial performance.

13. **Geography**

The continued growth of the Company and expansion into new countries, either organically or inorganically, brings associated risks. The Company currently generates most of its client business from the UK, South Africa and the US. The Company's head office and most of its senior management are based in the UK and there is a risk that the Company's continued growth overseas may result in a reduction in the quality of control and oversight provided by senior management. Factors such as different time zones, language barriers, different regulatory regimes in each country and different working cultures may all reduce the efficacy of the oversight provided by senior management and the effectiveness of the Company's strategy employed in each country.

The financial performance of the Company's international operations may be dependent on distributions from, and payments to, the Company's head office. The ability of the Company's international businesses to make and receive these payments to and from the Company's head office may become constrained by the taxation regime, including tax treaties and withholding tax, movement of free trade and labour, exchange rates, and the introduction of exchange controls or repatriation restrictions.

14. **Engagements with clients may not be profitable**

When making proposals for engagements, the expected revenue, costs and timing for completing the engagement, and thus the profitability of the engagement, are based on estimates. These estimates reflect best judgment regarding the efficiencies of the Company's methodologies and professionals as it is planned to deploy them on engagement. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside the Company's control, could make these engagements less profitable or unprofitable, which would have an adverse effect on profit margin. While some client engagement contracts are time-and-materials and others are fixed-price contracts, the risks associated with both types of contracts are often similar. The failure to meet a client's expectations in either type of contract may result in an unprofitable engagement.

15. **Technological change and reliability**

One of the key aspects of the Company's success is offering a range of products and services that utilises the latest and most effective technology. There is a risk that should the Company not be able to evolve along with the technology available in the consulting industry, this could result in an adverse impact on the efficacy of the Company's offering to clients.

16. **Unfavourable contract terms**

The Company has a small number of contractual relationships which include indemnities provided on an uncapped basis. Whilst these indemnities are limited in scope and application, such indemnities create an inherent risk that any liability on the Company's part for any breach could be material, given the uncapped basis. A successful claim under such indemnities may have a significant impact on the Company's profitability.

In addition, the Company has a number of contractual relationships under which the counterparty may terminate for convenience. The termination of any such contract which is material to the Company's business could have a significant impact on the Company's profitability.

17. **Risk of damage to reputation and negative publicity**

The Company's ability to retain existing clients and to attract new business is dependent on the maintenance of its reputation. The Company's ability to retain employees and to attract new talent to the business is also dependent on the maintenance of its reputation. The Company is vulnerable to

adverse market perception as it operates in an industry where a high level of integrity and client trust is paramount. Any perceived, actual or alleged mismanagement or fraud could have a material adverse effect on the financial condition, results or operations of the Company.

18. **Information systems**

The Company is heavily reliant on its information technology systems to display, process and transmit information and manage business processes and activities relating to, for example, internal and external communication and financial management and reporting. The Company information technology systems could be damaged, disrupted and shutdown due to problems with upgrading software, power outages, hardware issues, viruses, cyber-attacks, telecommunication failures, human error or other unanticipated events. Such damage, disruption or shutdown could, even on a temporary or short term basis, have a significant adverse effect on the Company's business operations. Additionally, security breaches may result in the unauthorised disclosure of confidential client information which could adversely affect client relationships and the Company's brands and reputation and expose the Company to liabilities for regulatory breaches in respect of data protection and other regulations. Although the Company has disaster recovery and backup systems in place, they may not adequately address every information technology risk and, in addition, the Company's insurance may not cover all loss and damage that it may suffer as a result of a system failure. Power failure or loss of critical information technology systems during a trading day could result in trading losses and failure to fulfil client orders which could lead to significant losses and reputational damage.

19. **Acquisition due diligence**

Part of the Company's growth strategy is to make appropriate acquisitions to complement or enhance the Company's capabilities, industries or geographical coverage. Prior to making or proposing any acquisition, the Company intends to undertake due diligence on potential targets to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all facts or circumstances that would have a material adverse effect upon the Company. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the target company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

20. **Integration of acquired businesses**

The Company's success will partially depend upon the Company's ability to integrate acquired businesses without significant disruption to its existing business. The integration of acquired businesses may divert management's attention from the ordinary course operation of the Company 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 businesses into the Company that may have an adverse effect on the financial condition and results of operations of the Company. There is no assurance that the Company will realise the potential benefits of any acquisitions made including, without limitation, potential synergies and cost savings (to the extent and within the time frame contemplated). If the Company is unable to integrate acquisitions successfully into the Company then this could have a negative impact on the results of operations and/or financial condition of the Company. Whilst the Directors do not expect that any acquisition will lead to any loss of clients, there is no certainty that clients of the Company (including the acquired businesses' clients) will continue to be clients of the Company following any acquisition, particularly if client service is affected whether before or after completion of any acquisition.

GENERAL RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

1. **General**

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other

financial assets and should not form a major part of an investment portfolio. Prospective investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

2. ***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 and in particular in tax status or tax residence of the Group or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company.

3. ***General economic climate***

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Group's operations, business and profitability can be affected by these factors, which are beyond the control of the Group.

4. ***Economic, political, judicial, administrative, taxation, environmental or other regulatory matters***

In addition to the impact of the downturn of the world's economies, the Group may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters. The Group may not have been and may not be at all times in complete compliance with environmental laws, regulations and permits, and the nature of the Group's operations expose it to the risk of liabilities or claims with respect to environmental, regulatory and worker health and safety matters. If the Group violates or fails to comply with environmental laws, regulations and permits, it could be subject to penalties, fines, restrictions on operations or other sanctions, and the Group's operations could be interrupted or suspended.

5. ***No prior market for the Ordinary Shares***

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

6. ***Share price volatility and liquidity***

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

7. ***Substantial sales of Ordinary Shares***

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraph 11 of Part IV of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception

that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

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

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

9. ***Investment in AIM traded securities***

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

10. ***Issue of additional Ordinary Shares***

Although the Group's business plan does not involve the issue of Ordinary Shares other than in connection with the Placing, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that such an issue of Ordinary Shares is not effected on a pre-emptive basis, or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer.

11. ***Dividends***

Dividend growth in the Ordinary Shares will rely on underlying growth in the Group's business and, in particular, the dividend policy mentioned in Part I of this document should not be construed as a dividend forecast. Any change in the tax treatment of dividends by the Company may reduce the level of yield received by Shareholders.

12. ***Concert Party will hold in excess of 50 per cent. of the Enlarged Share Capital***

Following Admission, the Concert Party will hold in excess of 50 per cent. of the Enlarged Share Capital. Notwithstanding the terms of the Relationship Agreement (in relation to Stephen Newton only), the Articles and applicable laws and regulations, the Concert Party (and Stephen Newton, individually) will be able to exercise significant influence over the Company and the Group's operations, business strategy and those corporate actions which require the approval of Shareholders. Further details regarding the Concert Party and Relationship Agreement are set out at paragraphs 7 and 11 of Part IV of this document respectively.

PART III

FINANCIAL INFORMATION OF THE GROUP

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



6 July 2020

The Directors
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Dear Sirs,

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Introduction

We report on the audited consolidated historical financial information of Elixirr Partners LLP and its subsidiaries ("**Elixirr LLP Group**") as set out in this section of the Admission document dated 6 July 2020 (the "**Document**") of Elixirr International plc (the "**Company**"). The historical financial information of Elixirr LLP Group has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the historical financial information of Elixirr LLP Group. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the "**AIM Rules**") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "**Directors**") are responsible for preparing the historical financial information of Elixirr LLP Group in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

It is our responsibility to form an opinion on the historical financial information of Elixirr LLP Group as to whether it gives a true and fair view, for the purposes of the Document and to report our opinion to you.

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

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information of Elixirr LLP Group. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information underlying the historical financial information of Elixirr LLP Group and whether the

accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the historical financial information of Elixirr LLP Group gives, for the purposes of the Document, a true and fair view of the state of affairs of Elixirr LLP Group as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the historical financial information of Elixirr LLP Group and International Financial Reporting Standards as adopted by the European Union.

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

Declaration

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

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

HISTORICAL FINANCIAL INFORMATION OF ELIXIRR LLP GROUP

STATEMENT OF COMPREHENSIVE INCOME

The statements of comprehensive income of Elixirr LLP Group for each of the three years ended 30 April 2019 and the two months ended 30 June 2019 are set out below:

		<i>Year ended</i> <i>30 April</i> <i>2017</i>	<i>Year ended</i> <i>30 April</i> <i>2018</i>	<i>Year ended</i> <i>30 April</i> <i>2019</i>	<i>2 months</i> <i>ended</i> <i>30 June</i> <i>2019</i>
	<i>Note</i>	£	£	£	£
Revenue	4	13,095,368	17,019,051	21,217,349	4,694,935
Cost of sales		(7,055,443)	(9,216,586)	(11,153,383)	(1,967,643)
Gross profit		6,039,925	7,802,465	10,063,966	2,727,292
Administrative expenses		(1,323,484)	(2,032,685)	(2,415,070)	(672,886)
Other income		40,000	108,198	–	–
Operating profit, being profit on ordinary activities before interest and taxation					
	5	4,756,441	5,877,978	7,648,896	2,054,406
Finance income	7	4,887	49,684	4,687	5,136
Finance expense	7	(362,913)	(487,777)	(464,527)	(82,992)
Profit on ordinary activities before taxation		4,398,415	5,439,885	7,189,056	1,976,550
Taxation	8	(68,210)	(157,974)	(97,312)	(169,979)
Profit for the financial year before members' remuneration and profit shares		4,330,205	5,281,911	7,091,744	1,806,571
Members' remuneration charged as an expense	6	(3,754,220)	(3,411,853)	(4,796,464)	(1,124,490)
Profit for the financial year available for discretionary division among the members		575,985	1,870,058	2,295,280	682,081
Other comprehensive income					
Currency translation on foreign currency net investments		–	22,295	31,348	68,028
Total comprehensive income available for discretionary division among members		575,985	1,892,353	2,326,628	750,109

All operations are continuing operations.

STATEMENT OF FINANCIAL POSITION

The statements of financial position of Elixirr LLP Group as at 30 April 2017, 2018 and 2019 and as at 30 June 2019 are set out below:

	Note	30 April 2017 £	30 April 2018 £	30 April 2019 £	30 June 2019 £
Non-current assets					
Intangible assets	9	100,000	430,859	85,384	–
Tangible assets	10	6,411,269	5,997,742	5,372,146	5,282,002
Total non-current assets		6,511,269	6,428,601	5,457,530	5,282,002
Current assets					
Trade and other receivables	12	4,056,175	3,216,333	3,790,772	5,636,223
Amounts due from members		–	344,276	178,134	104,242
Cash and cash equivalents	13	2,950,096	2,913,622	4,132,114	4,693,503
Total current assets		7,006,271	6,474,231	8,101,020	10,433,968
Total assets		13,517,540	12,902,832	13,558,550	15,715,970
Current liabilities					
Trade and other payables	14	(2,909,336)	(2,422,183)	(2,767,494)	(4,041,273)
Loans and borrowings	15	(335,634)	(4,077,730)	(2,832,979)	(2,591,541)
Total current liabilities		(3,244,970)	(6,499,913)	(5,600,473)	(6,632,814)
Non-current liabilities					
Loans and borrowings	15	(6,844,737)	(6,303,293)	(5,730,738)	(5,646,279)
Provisions	16	–	–	(147,730)	(147,730)
Total non-current liabilities		(6,844,737)	(6,303,293)	(5,878,468)	(5,794,009)
Total liabilities		(10,089,707)	(12,803,206)	(11,478,941)	(12,426,823)
Net assets		3,427,833	99,626	2,079,609	3,289,147
Represented by:					
Loans and other debts due to members within one year					
Members' capital		720,000	880,000	840,000	840,000
Other amounts due to members		2,262,126	3,260,532	2,723,565	6,944,628
		2,982,126	4,140,532	3,563,565	7,784,628
Members' other interests					
Other reserves classified as equity		445,707	(4,040,906)	(1,483,956)	(4,495,481)
		3,427,833	99,626	2,079,609	3,289,147
Total members' interests					
Loans and other debts due to members within one year		2,982,126	4,140,532	3,563,565	7,784,628
Amounts due from members		–	(344,276)	(178,134)	(104,242)
Members' other interests		445,707	(4,040,906)	(1,483,956)	(4,495,481)
		3,427,833	(244,650)	1,901,475	3,184,905

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

The statements of changes in members' interests of Elixirr LLP Group for each of the three years ended 30 April 2019 and the two months ended 30 June 2019 are set out below:

	<i>Members' capital</i> £	<i>Other amounts due to/(from) members</i> £	<i>Equity – other reserves</i> £	<i>Total</i> £
Balance at 1 May 2016	840,000	3,573,778	177,551	4,591,329
Profit for the financial year available for division among members	–	–	4,330,205	4,330,205
Members remuneration charged as an expense	–	3,754,220	(3,754,220)	–
Other division of profits	–	307,829	(307,829)	–
Members' capital withdrawn	(160,000)	–	–	(160,000)
Members' capital introduced	40,000	–	–	40,000
Drawings and distributions	–	(5,290,215)	–	(5,290,215)
Transfer of amounts due to former members	–	(83,486)	–	(83,486)
Balance at 30 April 2017	720,000	2,262,126	445,707	3,427,833
Profit for the financial year available for division among members	–	–	5,281,911	5,281,911
Members remuneration charged as an expense	–	3,411,853	(3,411,853)	–
Other division of profits	–	6,356,671	(6,356,671)	–
Currency translation	–	22,295	–	22,295
Loans to members	–	(200,000)	–	(200,000)
Members' capital withdrawn	(40,000)	–	–	(40,000)
Members' capital introduced	200,000	–	–	200,000
Drawings and distributions	–	(8,936,689)	–	(8,936,689)
Balance at 30 April 2018	880,000	2,916,256	(4,040,906)	(244,650)
Profit for the financial year available for division among members	–	–	7,091,744	7,091,744
Members remuneration charged as an expense	–	4,796,464	(4,796,464)	–
Other division of profits	–	663,146	(663,146)	–
Transfer of unallocated profits	–	(924,816)	924,816	–
Currency translation	–	31,348	–	31,348
Loans to members	–	(40,000)	–	(40,000)
Members' capital withdrawn	(80,000)	–	–	(80,000)
Members' capital introduced	40,000	–	–	40,000
Transfer to former members	–	(26,926)	–	(26,926)
Drawings and distributions	–	(4,870,041)	–	(4,870,041)
Balance at 30 April 2019	840,000	2,545,431	(1,483,956)	1,901,475
Profit for the financial year available for division among members	–	–	1,806,571	1,806,571
Members remuneration charged as an expense	–	1,124,490	(1,124,490)	–
Other division of profits	–	3,693,606	(3,693,606)	–
Currency translation	–	68,028	–	68,027
Transfer to former members	–	(1,353)	–	(1,353)
Drawings and distributions	–	(589,816)	–	(589,816)
Balance at 30 June 2019	840,000	6,840,386	(4,495,481)	3,184,905

STATEMENT OF CASH FLOWS

The statements of cash flow of Elixirr LLP Group for each of the three years ended 30 April 2019 and the two months ended 30 June 2019 are set out below:

	Year ended 30 April 2017 £	Year ended 30 April 2018 £	Year ended 30 April 2019 £	2 months ended 30 June 2019 £
Cash flows from operating activities				
Profit/(loss) for the financial period	4,330,205	5,281,911	7,091,744	1,806,571
<i>Adjustments for:</i>				
Depreciation, amortisation and impairment	528,866	587,740	889,156	175,528
Net finance expense	358,026	438,093	459,840	77,856
Taxation expense	68,210	157,974	97,312	169,979
Decrease/(Increase) in trade and other receivables	(1,056,298)	639,843	(574,439)	(1,845,451)
(Decrease)/Increase in trade and other payables	500,467	(697,977)	719,529	1,080,440
Loss on disposal of intangible assets	–	–	54,000	–
Foreign exchange	–	22,295	31,348	68,028
Cash generated from operations	4,729,476	6,429,879	8,768,489	1,532,951
Taxation paid	(7,758)	(76,880)	(251,701)	23,162
Interest paid	(41,866)	(170,498)	(164,242)	(35,108)
Members' drawings in relation to remuneration	(5,290,215)	(8,936,689)	(4,870,041)	(589,816)
Net cash used in operating activities	<u>(610,363)</u>	<u>(2,754,188)</u>	<u>3,482,505</u>	<u>931,189</u>
Cash flows from investing activities				
Purchase of tangible assets	–	(147,492)	(15,084)	–
Purchase of intangible assets	(100,000)	(122,000)	–	–
Purchase of subsidiary undertaking – deferred consideration	–	–	(60,000)	–
Purchase of subsidiary undertaking	–	(120,000)	(65,000)	–
Cash acquired with subsidiary undertaking	–	14,149	67,364	–
Interest received	4,887	49,684	4,687	5,136
Net cash used in investing activities	<u>(95,113)</u>	<u>(325,659)</u>	<u>(68,033)</u>	<u>5,136</u>
Cash flows from financing activities				
Capital introduced by members	40,000	200,000	40,000	–
Capital repaid to members	(160,000)	(40,000)	(80,000)	–
Drawdown of new loans	–	5,000,000	–	–
Repayment of loans	–	(1,514,288)	(1,263,677)	(250,000)
Finance lease capital (repayment)	(418,773)	(602,339)	(892,303)	(124,937)
Net cash from/(used in) financing activities	<u>(538,773)</u>	<u>3,043,373</u>	<u>(2,195,980)</u>	<u>(374,937)</u>
Net decrease in cash and cash equivalents	<u>(1,244,249)</u>	<u>(36,474)</u>	<u>1,218,492</u>	<u>561,388</u>
Cash and cash equivalents at beginning of period	<u>4,194,345</u>	<u>2,950,096</u>	<u>2,913,622</u>	<u>4,132,114</u>
Cash and cash equivalents at end of period	<u>2,950,096</u>	<u>2,913,622</u>	<u>4,132,114</u>	<u>4,693,503</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

Elixirr Partners LLP (“Elixirr LLP”) and its subsidiaries’ (together the “Elixirr LLP Group”) principal activities include the provision of consultancy services.

Elixirr LLP is a limited liability partnership incorporated in England and Wales and domiciled in the UK. The address of the registered office is 12 Helmet Row, London, EC1V 3QJ and the limited partnership number is OC365706.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the historical financial information of Elixirr LLP Group, which have been applied consistently to all periods presented, are set out below:

Basis of preparation

The historical financial information has been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee (“IFRIC”) as adopted by the European Union (“IFRS”). The historical financial information does not constitute statutory accounts within the meaning of the Companies Act 2006.

The functional and presentational currency of the LLP is pounds sterling.

Measurement convention

The consolidated financial information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the consolidated financial information in compliance with adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

Basis of consolidation

The consolidated financial information incorporates the financial information of Elixirr Partners LLP and all of its subsidiary undertakings. Subsidiary undertakings include entities over which Elixirr LLP Group has effective control. The acquisition method of accounting has been adopted.

The profit attributable to the parent entity, Elixirr Partners LLP, for the two month period ended 30 June 2019 was £1,564,019 (2019: £7,994,700, 2018: £7,610,850, 2017: £693,145).

Going concern

On 1 July 2019, Elixirr LLP Group was restructured. Elixirr LLP sold its business and the majority of its assets (including shares in its subsidiary companies) and liabilities to Elixirr Consulting Limited, a company owned by the members of Elixirr LLP. Elixirr LLP ceased to trade from that date, and the members therefore do not consider Elixirr LLP Group and Elixirr LLP to be a going concern and have prepared the financial information on a basis other than that of a going concern. Prior to 30 April 2019, the historical financial information was prepared on a going concern basis.

In March 2020, the UK was impacted by the coronavirus pandemic. Given that Elixirr LLP ceased to trade and sold substantially all of its assets and liabilities on 1 July 2019, the members do not expect any material impact from COVID-19 on Elixirr LLP Group.

Revenue recognition

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, including expenses and disbursements but excluding discounts and Value Added Tax. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining

the level of variable consideration are subsequently resolved. This occurs as follows for Elixirr LLP Group's various contract types:

- Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.
- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.
- Contingent-fee contracts, over and above any agreed minimum fee, are recognised at the point in time that the contingent event occurs and Elixirr LLP Group has become entitled to the revenue.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price. Where these are not directly observable, they are estimated based on expected cost plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone selling price of each performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decreases in estimated revenues or costs are reflected in the statement of comprehensive income in the period in which the circumstances that give rise the revision became known.

For time-and-materials, and fixed-fee contracts, fees are normally billed on account based on a payment schedule. For performance-fee and contingent-fee contracts, fees are normally billed and paid when entitlement to the revenue has been established. If the revenue recognised by Elixirr LLP Group exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Contract assets are reclassified as receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

Elixirr LLP Group's standard payment terms require settlement of invoices within 30 days of receipt.

Elixirr LLP Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

Business combinations

Elixirr LLP Group applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, 'Business Combinations'.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Elixirr LLP Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of Elixirr LLP Group's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as operating expenses. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

Any contingent consideration to be transferred by Elixirr LLP Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be an asset or liability are recognised in accordance with IAS 39 in the income statement.

Taxation

The taxation payable on Elixirr LLP's profits is the personal liability of the members and, consequently, neither taxation nor deferred taxation is accounted for in this historical financial information. Amounts retained for

tax are treated in the same way as other profits of Elixirr LLP and so are included in “members’ other interests” or in “loans and other debts due to members” depending on whether or not division of profits has occurred.

For subsidiary companies, current tax is the tax currently payable based on the taxable profit for the year.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss under a business combination. Deferred tax is determined using tax rates and laws that have been substantially enacted by the statement of financial position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward, and other tax credits to the Group, are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Foreign currency translation

(a) Function and presentational currency

Items included in the historical financial information of each of Elixirr LLP Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated historical financial information is presented in ‘sterling’, which is Elixirr LLP’s functional currency and Elixirr LLP Group’s presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

In the research phase on an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to administrative expenses on a straight line basis over their expected useful economic lives.

Goodwill

Goodwill is initially measured at cost, being the excess of aggregate of the consideration transferred and any previous interest held over the net identifiable assets acquired and liabilities assumed, if the fair value of the net assets acquired is in excess of the aggregate consideration transferred, Elixirr LLP Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

Tangible assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses.

Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Leasehold improvements	–	Over the life of the lease
Computer equipment	–	3 years
Fixtures and fittings	–	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Low value equipment including computers is expensed as incurred.

Impairment of tangible and intangible assets

At each reporting end date, Elixirr LLP Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Elixirr LLP Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

Financial instruments

Elixirr LLP Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on the date when Elixirr LLP Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the trade date when Elixirr LLP Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. All financial instruments held are classified as loans and receivables.

(a) Trade and other receivables and trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

(b) Contract assets

Unbilled revenue is recognised at the fair value of consultancy services provided at the reporting date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. This is included in trade and other receivables.

(c) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs using the effective interest method, less any impairment losses.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of Elixirr LLP Group's cash management are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

Provisions

A provision is recognised in the statement of financial position when Elixirr LLP Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Post-retirement benefits

Elixirr LLP Group pay into a defined contribution pension scheme that is operated by a third party. The assets of the scheme are held separately from those of Elixirr LLP Group in an independently administered fund.

The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

Divisible profits and partners' and members' remuneration

Remuneration which is paid to salaried partners (who are not members) under an employment contract is expensed to profit and loss in arriving at the result before members' remuneration and profit shares.

Members' fixed shares of profits which are automatically allocated are treated as members' remuneration and are charged as an expenses to the profit and loss account in arriving at results available for discretionary division among members.

Certain profits are allocated in accordance with the Members' Agreement and fixed profit share arrangements with the balance of profits being allocated by the management board between members. Members receive drawings on account of profits throughout the year in amounts determined by the Member's Agreement. Allocated but undistributed profits are included in "loans and other debts due to members" and rank alongside ordinary creditors in the event of a winding up. The final allocation of profits to those who were members during the financial year occurs following the finalisation of the year end profit. Unallocated amounts are shown in "other reserves".

Leases

Elixirr LLP Group leases one property in the UK from which it operates.

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

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Elixirr LLP Group's incremental borrowing rate on commencement of the lease is used. This is 5.0 per cent. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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

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

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in the income statement using the effective interest method, unwinding of the discount on provisions, and not foreign exchange losses that are recognised in the statement of comprehensive income.

Financing income includes interest receivable on funds invested.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

Transition to International Financial Reporting Standards ("IFRS")

The Elixirr LLP Group previously reported under Financial Reporting Standard 102 ("UK GAAP") but the historical financial information is reported under IFRS. In the reporting period there have been a number of IFRS's that have come into effect.

These standards have been adopted early and have been applied from the earliest reporting period in the historical financial information.

Below is a summary of the standards that have been adopted early and the impact on previous reporting figures.

Standard

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers including amendments to *IFRS 15: Effective date of IFRS 15*

Clarifications to IFRS 15 – Revenue from Contracts with Customers

IFRS 16 Leases

– IFRS 9 ‘Financial Instruments’

IFRS 9 ‘Financial Instruments’ replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities. The introduction of IFRS 9 impacts Elixirr LLP Group’s accounting policy for trade receivables, where Elixirr LLP Group has moved to an expected loss method of providing for future impairment. This replaces the previous accounting policy to initially recognise trade receivables at fair value, and then subsequently state at amortised cost less allowances for estimated irrecoverable amounts. There was no reclassification adjustment upon transition to IFRS 9.

– IFRS 15 ‘Revenue from Contracts with Customers’

IFRS 15 introduces a new model for revenue recognition, which is based upon the transfer of control rather than the transfer of risks and rewards under IAS 18 ‘Revenue’. On all Elixirr LLP Group’s engagement types the point at which revenue is recognised has not changed, as the point of transfer of control under IFRS 15 (which determines revenue recognition) is the same as the point of transfer of risks and rewards (which determines revenue recognition under IAS 18). As such, there were no adjustments upon transition to IFRS 15.

– IFRS 16 ‘Leases’

IFRS 16 specifies how Elixirr LLP Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. From 1 May 2016, for each lease, Elixirr LLP Group has recognised an asset reflecting the right to use the leased asset for the remaining lease term and a lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet where previously they were off balance sheet. There has been no impact on overall cash flow but there are changes in classifications in the statement of cashflows. There has also been an impact on the statement of comprehensive income as the operating lease payments have been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

Elixirr LLP Group has taken advantage of the exemptions available under IFRS 16 not to apply the recognition and requirements of IFRS 16 to leases with a term of 12 months or less. The recognition of these exempted leases will therefore continue unchanged – a charge will be recognised in the income statement based on straight-line recognition of the lease payments payable on each lease, after adjustment for lease incentives received.

The following tables summarise the impacts of adopting IFRS 16 on Elixirr LLP Group's consolidated financial information.

i. Consolidated statement of financial position

30 April 2017

	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
	£	£	£
Intangible assets	100,000	–	100,000
Tangible assets	834,801	5,576,468	6,411,269
Trade and other receivables	4,116,134	(59,959)	4,056,175
Cash and cash equivalents	2,950,096	–	2,950,096
Total assets	8,001,031	5,516,509	13,517,540
Loans and borrowings	570,159	6,610,212	7,180,371
Trade and other payables	3,804,030	(894,694)	2,909,336
Total liabilities	4,374,189	(5,715,518)	10,089,707
Net assets	3,626,842	(199,009)	3,427,833
Members capital	720,000	–	720,000
Other amounts due to members	2,262,126	–	2,262,126
Other reserves	644,716	(199,009)	445,707
Total equity	3,626,842	(199,009)	3,427,833

30 April 2018

	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
	£	£	£
Intangible assets	430,859	–	430,859
Tangible assets	842,140	5,155,602	5,997,742
Trade and other receivables	3,677,083	(116,474)	3,560,609
Cash and cash equivalents	2,913,622	–	2,913,622
Total assets	7,863,704	5,039,128	12,902,832
Loans and borrowings	3,945,019	6,436,004	10,381,023
Trade and other payables	3,561,798	(1,139,615)	2,422,183
Total liabilities	7,506,817	5,296,389	12,803,206
Net assets	356,887	(257,261)	99,626
Members capital	880,000	–	880,000
Other amounts due to members	3,260,532	–	3,260,532
Other reserves	(3,783,645)	(257,261)	(4,040,906)
Total equity	356,887	(257,261)	99,626

30 April 2019**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Intangible assets	85,384	–	85,384
Tangible assets	637,409	4,734,736	5,372,145
Trade and other receivables	4,071,843	(102,936)	3,968,907
Cash and cash equivalents	4,132,114	–	4,132,114
Total assets	8,926,750	4,631,800	13,558,550
Loans and borrowings	2,669,023	6,042,424	8,711,447
Trade and other payables	3,826,037	(1,058,543)	2,767,494
Total liabilities	6,495,060	4,983,881	11,478,941
Net assets	2,431,690	(352,081)	2,079,609
Members capital	840,000	–	840,000
Other amounts due to members	2,723,565	–	2,723,565
Other reserves	(1,131,875)	(352,081)	(1,483,956)
Total equity	2,431,690	(352,081)	2,079,609

30 June 2019**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Intangible assets	–	–	–
Tangible assets	617,409	4,664,593	5,282,002
Trade and other receivables	5,901,414	(160,949)	5,740,465
Cash and cash equivalents	4,693,503	–	4,693,503
Total assets	11,212,326	4,503,644	15,715,970
Loans and borrowings	2,410,885	5,974,665	8,385,550
Trade and other payables	5,087,158	(1,045,885)	4,041,273
Total liabilities	7,498,043	4,928,780	12,426,823
Net assets	3,714,283	(425,136)	3,289,147
Members capital	840,000	–	840,000
Other amounts due to members	6,944,627	–	6,944,627
Other reserves	(4,070,345)	(425,136)	(4,495,481)
Total equity	3,714,283	(425,136)	3,289,147

ii. Consolidated statement of comprehensive income

30 April 2017

**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Revenue	13,095,368	–	13,095,368
Cost of sales	(7,055,443)	–	(7,055,443)
Administrative expense	(1,575,800)	252,316	(1,323,484)
Finance income	4,887	–	4,887
Finance cost	(41,866)	(321,047)	(362,913)
Other income	40,000	–	40,000
Other	(3,822,430)	–	(3,822,430)
Profit for the period	644,716	(68,731)	575,985
Currency translation	–	–	–
Total comprehensive income for the period	644,716	(68,731)	575,985

30 April 2018

**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Revenue	17,019,051	–	17,019,051
Cost of sales	(9,216,586)	–	(9,216,586)
Administrative expense	(2,291,712)	259,027	(2,032,685)
Finance income	49,684	–	49,684
Finance cost	(170,498)	(317,279)	(487,777)
Other income	108,198	–	108,198
Other	(3,569,827)	–	(3,569,827)
Profit for the period	1,928,310	(58,252)	1,870,058
Currency translation	22,295	–	22,295
Total comprehensive income for the period	1,950,605	(58,252)	1,892,353

30 April 2019**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Revenue	21,217,349	–	21,217,349
Cost of sales	(11,153,383)	–	(11,153,383)
Administrative expense	(2,620,534)	205,464	(2,415,070)
Finance income	4,687	–	4,687
Finance cost	(164,243)	(300,284)	(464,527)
Other income	–	–	–
Other	(4,893,776)	–	(4,893,776)
Profit for the period	2,390,100	(94,820)	2,295,280
Currency translation	31,348	–	31,348
Total comprehensive income for the period	2,421,448	(94,820)	2,326,628

30 June 2019**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Revenue	4,694,935	–	4,694,935
Cost of sales	(1,967,642)	–	(1,967,642)
Administrative expense	(647,714)	(25,172)	(672,886)
Finance income	5,136	–	5,136
Finance cost	(35,108)	(47,884)	(82,992)
Other income	–	–	–
Other	(1,294,469)	–	(1,294,469)
Profit for the period	755,136	(73,055)	682,081
Currency translation	68,028	–	68,028
Total comprehensive income for the period	823,164	(73,055)	750,109

iii. Consolidated statement of cash flows

30 April 2017

	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
	£	£	£
Profit for the financial period	4,398,936	(68,731)	4,330,205
Adjustments for:			
Depreciation, amortisation, impairment	108,000	420,866	528,866
Net finance expense	36,979	321,047	358,026
Decrease/(increase) in trade and other receivables	(1,042,452)	(13,846)	(1,056,298)
(Decrease)/increase in trade and other payables	899,604	(399,137)	500,467
Other movements	(5,271,629)	–	(5,271,629)
Net cash from/(used in) operating activities	(870,562)	260,199	(610,363)
Other movements	(95,113)	–	(95,113)
Net cash from/(used in) investing activities	(95,113)	–	(95,113)
Finance lease capital (repayment)	(158,574)	(260,199)	(418,773)
Other movements	(120,000)	–	(120,000)
Net cash from/(used in) financing activities	(278,574)	(260,199)	(538,773)
Net increase/(decrease) in cash and cash equivalents	(1,244,249)	–	(1,244,249)

30 April 2018

	Impact of changes in accounting policies		
	As previously reported	Adjustments	As restated
	£	£	£
Profit for the financial period	5,340,163	(58,252)	5,281,911
Adjustments for:			
Depreciation, amortisation, impairment	166,874	420,866	587,740
Net finance expense	120,814	317,279	438,093
Decrease/(increase) in trade and other receivables	583,328	56,515	639,843
(Decrease)/increase in trade and other payables	(453,056)	(244,921)	(697,977)
Other movements	(9,003,798)	–	(9,003,798)
Net cash from/(used in) operating activities	(3,245,675)	491,487	(2,754,188)
Other movements	(325,659)	–	(325,659)
Net cash from/(used in) investing activities	(325,659)	–	(325,659)
Finance lease capital (repayment)	(110,852)	(491,487)	(602,339)
Other movements	3,645,712	–	3,645,712
Net cash from/(used in) financing activities	3,534,860	(491,487)	3,043,373
Net increase/(decrease) in cash and cash equivalents	(36,474)	–	(36,474)

30 April 2019

**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Profit for the financial period	7,186,564	(94,820)	7,091,744
Adjustments for:			
Depreciation, amortisation, impairment	468,290	420,866	889,156
Net finance expense	159,556	300,284	459,840
Decrease/(increase) in trade and other receivables	(560,902)	(13,537)	(574,439)
(Decrease)/increase in trade and other payables	638,457	81,072	719,529
Other movements	(5,103,325)	–	(5,103,325)
Net cash from/(used in) operating activities	2,788,640	693,865	3,482,505
Other movements	(68,033)	–	(68,033)
Net cash from/(used in) investing activities	(68,033)	–	(68,033)
Finance lease capital (repayment)	(198,438)	(693,865)	(892,303)
Other movements	(1,303,677)	–	(1,303,677)
Net cash from/(used in) financing activities	(1,502,115)	(693,865)	(2,195,980)
Net increase/(decrease) in cash and cash equivalents	1,218,492	–	1,218,492

30 June 2019

**Impact of changes in
accounting policies**

	As previously reported £	Adjustments £	As restated £
Profit for the financial period	1,879,626	(73,055)	1,806,571
Adjustments for:			
Depreciation, amortisation, impairment	105,384	70,144	175,528
Net finance expense	29,973	47,883	77,856
Decrease/(increase) in trade and other receivables	(1,903,463)	58,012	(1,845,451)
(Decrease)/increase in trade and other payables	1,067,780	12,660	1,080,440
Other movements	(363,755)	–	(363,755)
Net cash from/(used in) operating activities	815,545	115,644	931,189
Other movements	5,136	–	5,136
Net cash from/(used in) investing activities	5,136	–	5,136
Finance lease capital (repayment)	(9,293)	(115,644)	(124,937)
Other movements	(250,000)	–	(250,000)
Net cash from/(used in) financing activities	(259,293)	(115,644)	(374,937)
Net increase/(decrease) in cash and cash equivalents	561,388	–	561,388

Standards issued but not yet effective:

The following standards and interpretations relevant to Elixirr LLP Group are in issue but are not yet effective and have not been applied in the historical financial information. In some cases these standards and guidance have not been endorsed for use in the European Union.

<i>Standard</i>	<i>Effective date, annual period beginning on or after</i>
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 <i>Business Combinations</i>	1 January 2020
Amendments to IAS 1 and IAS 8: <i>Definition of Material</i>	1 January 2020

3. Judgements and key sources of estimation uncertainty

The preparation of the historical financial information requires the Members to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the historical financial information. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

- Revenue is recognised in line with time worked on a project unless the engagement is conditional or contingent. Management review accrued revenue to determine whether there is any likelihood of any amendments or provisions required based on project progress and relationship with the client.
- Elixirr LLP Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.
- Provisions for dilapidations is accrued based on estimation of the cost expected to crystallise on vacating leased premises.

4. Operating segments

Revenue arises from:

	<i>Year to 30 April 2017 £</i>	<i>Year to 30 April 2018 £</i>	<i>Year to 30 April 2019 £</i>	<i>Period from 1 May to 30 June 2019 £</i>
United Kingdom	7,339,431	6,723,007	10,355,409	2,592,676
Europe	1,004,991	2,121,202	2,868,457	639,837
Africa	4,071,849	5,347,682	3,959,122	506,183
USA	–	2,587,065	3,598,672	716,753
Rest of World	679,097	240,095	435,689	239,486
	<u>13,095,368</u>	<u>17,019,051</u>	<u>21,217,349</u>	<u>4,694,935</u>

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. Elixirr LLP Group is operated as one global business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. Management therefore consider that Elixirr LLP Group has one operating segment. As such, no additional disclosure has been recorded under IFRS 8.

5. Operating profit

Operating profit is arrived at after charging:

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
Depreciation – owned assets	69,181	101,334	180,996	13,530
Depreciation – leased assets	459,685	459,685	459,685	76,614
Amortisation/impairment of intangible assets	–	26,721	248,475	85,384
Foreign exchange (gains)/losses	(3,869)	(15,132)	54,725	(16,006)

Auditor's remuneration:

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
Audit of Elixirr LLP	25,000	25,000	61,000	20,000
Audit of the subsidiaries	15,000	15,000	31,500	10,000
Partnership and partners' individual tax compliance fees	25,000	97,610	141,583	–

6. Members and employee information

The average number of persons employed by Elixirr LLP Group (excluding members) during the year, analysed by category, was as follows:

	Year to 30 April 2017 Number	Year to 30 April 2018 Number	Year to 30 April 2019 Number	Period from 1 May to 30 June 2019 Number
Provision of services	53	69	84	85
Administration	6	7	12	11
	59	76	96	96

The number of members of the Elixirr LLP Group, was as follows:

	Year to 30 April 2017 Number	Year to 30 April 2018 Number	Year to 30 April 2019 Number	Period from 1 May to 30 June 2019 Number
Members	19	22	21	19
	19	22	21	19

The aggregate payroll costs of these persons (excluding members) were as follows:

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
Wages and salaries	3,942,193	5,827,282	6,474,157	1,056,235
Social security costs	410,148	628,872	811,221	128,467
Pension costs	142,754	196,881	229,002	42,743
	<u>4,495,095</u>	<u>6,653,035</u>	<u>7,514,380</u>	<u>1,227,445</u>

A defined contribution pension scheme is operated by a third party and the Elixirr LLP Group pays contributions on behalf of the employees. The assets of the scheme are held separately from those of Elixirr LLP Group in an independently administered fund. The pension charge represents contributions payable by Elixirr LLP Group to the fund. Contributions amounting to £22,277, £21,589, £40,569 and £41,842 were payable to the fund at the end of each financial year and are included in creditors.

Profits are shared amongst members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
The share attributable to the member with the largest entitlement was:	<u>665,411</u>	<u>845,424</u>	<u>790,583</u>	<u>215,086</u>
The average profit per member was:	<u>235,113</u>	<u>242,735</u>	<u>360,498</u>	<u>88,964</u>

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
Members' remuneration charged as an expense	<u>3,754,220</u>	<u>3,411,853</u>	<u>4,796,464</u>	<u>1,124,490</u>

7. Finance income and expenses

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
On short term deposits and investments	<u>4,887</u>	<u>49,684</u>	<u>4,687</u>	<u>5,136</u>
Total finance income	<u>4,887</u>	<u>49,684</u>	<u>4,687</u>	<u>5,136</u>
On bank loans and overdrafts at amortised cost	41,866	170,498	164,243	35,108
On lease liability	<u>321,047</u>	<u>317,279</u>	<u>300,284</u>	<u>47,884</u>
Total finance expense	<u>362,913</u>	<u>487,777</u>	<u>464,527</u>	<u>82,992</u>

8. Taxation on profit on ordinary activities

The tax charge arises within the subsidiary undertakings of Elixirr LLP Group and represents:

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
<i>UK corporation tax</i>				
Current tax on income for the year	65,415	158,033	89,367	158,342
Adjustments in respect of prior periods	2,795	(59)	7,945	11,637
	<u>68,210</u>	<u>157,974</u>	<u>97,312</u>	<u>169,979</u>

Income tax payable on the profits of Elixirr LLP consolidated within Elixirr LLP Group is solely the personal liability of the individual members of these partnerships and consequently is not dealt with in the historical financial information. Corporation tax is charged on the profits of the companies within Elixirr LLP Group.

The proportion of tax payable which is a personal liability is not shown in this historical financial information, whereas the proportion which is a liability of the Elixirr LLP Group is shown.

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than, 2018: lower than, 2017: lower than) the standard rate of corporation tax in the UK of 19 per cent. (2019: 19 per cent., 2018: 19 per cent., 2017: 19 per cent.).

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
Profit on ordinary activities before taxation	4,398,415	5,439,885	7,189,056	1,976,550
Profit on ordinary activities by rate of tax	835,699	1,033,578	1,365,921	375,545
Adjustment for profits taxed outside Elixirr LLP Group	(770,284)	(880,622)	(1,323,764)	(261,994)
Goodwill impairment & amortisation	–	5,077	47,210	–
Difference in overseas tax rates	–	–	–	17,975
Withholding tax	–	–	–	26,816
Adjustment in respect of prior periods	2,795	(59)	7,945	11,637
Tax on profit	<u>68,210</u>	<u>157,974</u>	<u>97,312</u>	<u>169,979</u>

9. Intangible assets

	Goodwill £	Software under Development £	Total £
Cost			
At 1 May 2016	–	–	–
Additions	–	100,000	100,000
At 30 April 2017	–	100,000	100,000
At 1 May 2017	–	100,000	100,000
Additions	235,580	122,000	357,580
At 30 April 2018	235,580	222,000	457,580
At 1 May 2018	235,580	222,000	457,580
Additions	125,000	–	125,000
Disposals	–	(222,000)	(222,000)
At 30 April 2019	360,580	–	360,580
At 1 May 2019	360,580	–	360,580
Additions	–	–	–
At 30 June 2019	360,580	–	360,580
Amortisation			
At 1 May 2016	–	–	–
Impairment	–	–	–
At 30 April 2017	–	–	–
At 1 May 2017	–	–	–
Impairment	26,721	–	26,721
At 30 April 2018	26,721	–	26,721
At 1 May 2018	26,721	–	26,721
Impairment	248,475	–	248,475
At 30 April 2019	275,196	–	275,196
At 1 May 2019	275,196	–	275,196
Impairment	85,384	–	85,384
At 30 June 2019	360,580	–	360,580
Net book value			
At 30 April 2017	–	100,000	100,000
At 30 April 2018	208,859	222,000	430,859
At 30 April 2019	85,384	–	85,384
At 30 June 2019	–	–	–

The software under construction was sold during the year ended 30 April 2019 for £168,000, realising a loss of £54,000.

Goodwill relates to the acquisition of Den Creative Limited on 6 October 2017 and Medius Consulting Limited on 1 May 2018. Goodwill was calculated as the fair value of initial consideration paid less the fair value of assets at the date of the acquisition.

Impairment review

The breakdown of goodwill by acquisition is listed below:

	Year to 30 April 2017 £	Year to 30 April 2018 £	Year to 30 April 2019 £	Period from 1 May to 30 June 2019 £
Den Creative Limited	–	208,859	–	–
Medius Consulting Limited	–	–	85,384	–
	–	208,859	85,384	–

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

Goodwill arising on acquisitions before the date of Elixirr LLP Group's transition to IFRS was £nil,

There are three steps to performing an impairment review:

1. Allocating the goodwill to the relevant cash generating unit (CGU) or multiple CGUs.
2. Determining the recoverable amount of the CGU to which the goodwill belongs.
3. Recognising any impairment losses after performing an impairment review of the CGU or CGUs.

Goodwill acquired in a business combination represents future economic benefits arising from assets that are not capable of being individually identified and separately recognised. Goodwill does not generate cash flows independently from other assets or groups of assets and so the recoverable amount of goodwill as an individual asset cannot be determined. Therefore, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination.

The definition of a CGU is "the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets" (per IAS 36).

In accordance with IAS 36, a CGU to which goodwill has been allocated shall be tested for impairment annually and whenever there is indication of impairment by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise an impairment loss.

The recoverable amount is the higher of a CGU's fair value less costs to sell and its value in use. In brief the fair value less costs to sell is likely to involve a valuation of the CGU if sold at an arm's length and deducting the costs of disposal.

The value in use will involve a discounted cash flow ('DCF') calculation estimating the future cash inflows and outflows to be derived from the continuing use of the CDU. The DCF calculation would include the estimated net cash flows, if any, to be received for the disposal of the CGU at the end of its useful life.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are those regarding:

- number of years of cash flows used and budgeted EBITDA growth rate
- discount rate; and
- terminal growth rate

The carrying value of intangible assets arising on acquisitions is £235,580 being the consideration payable (£245,000) for the acquisition of Den Creative Limited less the net assets on acquisition (£9,420), and £125,000 being the consideration payable for the acquisition of Medius Consulting Limited.

Number of years of cash flows used and budgeted growth rate

The recoverable amount of the CGU is based on a value in use calculation using specific cash flow projections over a five year period and a terminal growth rate thereafter.

The five year forecast is prepared considering members' expectations based on market knowledge, numbers of new engagements and the pipeline of opportunities.

Discount rate

Elixirr LLP Group's post-tax weighted average cost of capital has been used to calculate a discount rate, which reflects current market assessments of the time value of money for the period under review and the risks specific to Elixirr LLP Group.

Terminal growth rate

An appropriate terminal growth rate is selected, based on members' expectations of growth beyond the five year period.

10. Tangible assets

	<i>Right of use asset</i> £	<i>Furniture and fittings</i> £	<i>Leasehold Improvements</i> £	<i>Computer Equipment</i> £	<i>Total</i> £
Cost					
At 1 May 2016	6,312,983	–	1,015,828	–	7,328,811
Additions	–	–	–	–	–
At 30 April 2017	6,312,983	–	1,015,828	–	7,328,811
At 1 May 2017	6,312,983	–	1,015,828	–	7,328,811
Additions	–	–	134,801	12,691	147,492
At 30 April 2018	6,312,983	–	1,150,629	12,691	7,476,303
At 1 May 2018	6,312,983	–	1,150,629	12,691	7,476,303
Additions	–	–	–	15,084	15,084
Transfers	–	247,634	(389,770)	142,136	–
At 1 May 2019	6,312,983	247,634	760,859	169,911	7,491,387
Additions	–	–	–	–	–
At 30 June 2019	<u>6,312,983</u>	<u>247,634</u>	<u>760,859</u>	<u>169,911</u>	<u>7,491,387</u>
Depreciation					
At 1 May 2016	315,649	–	73,027	–	388,676
Charge for the period	420,866	–	108,000	–	528,866
At 30 April 2017	736,515	–	181,027	–	917,542
At 1 May 2017	736,515	–	181,027	–	917,542
Charge for the period	420,866	–	139,417	736	561,019
At 30 April 2018	1,157,380	–	320,444	736	1,478,560
At 1 May 2018	1,157,380	–	320,444	736	1,478,560
Charge for the period	420,866	49,391	136,992	33,432	640,681
Transfer	–	124,854	(201,341)	76,487	–
At 1 May 2019	1,578,246	174,245	256,095	110,655	2,119,241
Charge for the period	70,144	8,277	5,680	6,043	90,144
At 30 June 2019	<u>1,648,390</u>	<u>182,522</u>	<u>261,775</u>	<u>116,698</u>	<u>2,209,385</u>
Net book value					
At 30 April 2017	5,576,468	–	834,801	–	6,411,269
At 30 April 2018	5,155,602	–	830,185	11,955	5,997,742
At 30 April 2019	4,734,737	73,389	504,764	59,256	5,372,146
At 30 June 2019	4,664,593	65,112	499,084	53,213	5,282,002

The net book value of tangible fixed assets includes an amount of £680,815, £641,996, £603,105, and £596,623 as at 30 April 2017, 2018, 2019 and 30 June 2019 respectively, in relation to assets held under finance leases and hire purchase contracts.

The lease liability in respect of the right-of-use asset was £5,974,665 as at 30 June 2019 (2019: £5,828,356, 2018: £6,240,862, 2017: £6,597,430). As disclosed in the summary of significant accounting policies, the discount rate used in determining the present value of the lease liability was 5 per cent. The interest expense recognised in the statement of comprehensive income for the period ended 30 June 2019 was £47,884 (2019: £300,284, 2018: £317,279, 2017: £321,047).

11. Investments in subsidiaries

The undertakings in which Elixirr LLP's interest at the year end is 20 percent or more are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Registered office	Shareholding			
				At 30 April 2017	At 30 April 2018	At 30 April 2019	At 30 June 2019
Elix-IRR Consulting Services Limited	England and Wales	Services to the LLP	12 Helmet Row, London, EC1V 3QJ	100%	100%	100%	100%
Elix-IRR Consulting Services (South Africa) Limited	England and Wales	Services to the LLP	12 Helmet Row, London, EC1V 3QJ	100%	100%	100%	100%
Elixirr LLC	United States	Consultancy	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	100%	100%	100%
Elixirr Consulting AI Limited	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%	100%	100%
Elixirr Creative Limited	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	0%	100%	100%	100%
Medius Consulting Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	0%	0%	100%	100%
Den Creative Limited (indirect)	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	0%	100%	100%	100%

12. Trade and other receivables

	As at 30 April 2017 £	As at 30 April 2018 £	As at 30 April 2019 £	As at 30 June 2019 £
Trade receivables	3,014,180	1,947,925	2,019,942	4,434,515
Contract assets	169,707	244,596	639,417	193,585
Other receivables	872,288	1,023,812	1,131,413	1,008,123
	<u>4,056,175</u>	<u>3,216,333</u>	<u>3,790,772</u>	<u>5,636,223</u>

All of the trade receivables were non-interest bearing and receivable under normal commercial terms. The members consider that the carrying value of trade and other receivables approximates to their fair value.

The impairment loss recognised in the income statement for the period in respect of bad and doubtful trade receivables was £4,999 (2019: £81,250, 2018: £261,250, 2017: £nil).

The ageing of trade receivables is detailed below:

As at 30 April 2017

	< 30 days £	< 60 days £	< 90 days £	< 180 days £	> 180 days £	Total £
Gross carrying amount	<u>1,681,591</u>	<u>1,072,074</u>	<u>260,515</u>	<u>–</u>	<u>–</u>	<u>3,014,180</u>

As at 30 April 2018

	< 30 days £	< 60 days £	< 90 days £	< 180 days £	> 180 days £	Total £
Gross carrying amount	<u>1,160,097</u>	<u>631,576</u>	<u>98,749</u>	<u>9,296</u>	<u>48,207</u>	<u>1,947,925</u>

As at 30 April 2019

	< 30 days £	< 60 days £	< 90 days £	< 180 days £	> 180 days £	Total £
Gross carrying amount	<u>1,534,753</u>	<u>359,174</u>	<u>63,584</u>	<u>–</u>	<u>62,431</u>	<u>2,019,942</u>

As at 30 June 2019

	< 30 days £	< 60 days £	< 90 days £	< 180 days £	> 180 days £	Total £
Gross carrying amount	<u>2,279,125</u>	<u>1,625,229</u>	<u>452,382</u>	<u>19,288</u>	<u>58,491</u>	<u>4,434,515</u>

13. Cash and cash equivalents

	As at 30 April 2017 £	As at 30 April 2018 £	As at 30 April 2019 £	As at 30 June 2019 £
Cash at bank and in hand	<u>2,950,096</u>	<u>2,913,622</u>	<u>4,132,114</u>	<u>4,693,503</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

14. Trade and other payables

	As at 30 April 2017 £	As at 30 April 2018 £	As at 30 April 2019 £	As at 30 June 2019 £
Current liabilities				
Trade payables	773,336	585,051	707,561	1,141,979
Other taxes and social security costs	581,961	617,976	445,985	1,011,998
Deferred income	–	–	–	–
Other payables and accruals	<u>1,554,039</u>	<u>1,219,156</u>	<u>1,613,948</u>	<u>1,887,296</u>
	<u>2,909,336</u>	<u>2,422,183</u>	<u>2,767,494</u>	<u>4,041,273</u>

The fair value of trade and other payables approximates to book value at each year end. Trade payables are non-interest bearing and are normally settled monthly.

15. Loans and borrowings

	As at 30 April 2017 £	As at 30 April 2018 £	As at 30 April 2019 £	As at 30 June 2019 £
Current liabilities				
Bank loan	–	3,485,712	2,222,035	1,977,231
Lease liabilities	<u>335,634</u>	<u>592,018</u>	<u>610,944</u>	<u>614,310</u>
	<u>335,634</u>	<u>4,077,730</u>	<u>2,832,979</u>	<u>2,591,541</u>

	<i>As at 30 April 2017 £</i>	<i>As at 30 April 2018 £</i>	<i>As at 30 April 2019 £</i>	<i>As at 30 June 2019 £</i>
Non-current liabilities				
Lease liabilities	6,844,737	6,303,293	5,730,738	5,646,279
	<u>6,844,737</u>	<u>6,303,293</u>	<u>5,730,738</u>	<u>5,646,279</u>

A bank loan of £5,000,000, to be repaid over five years was drawn on 8 June 2017 to finance a buy back of partner profit units. Following 30 April 2018 year end, a covenant waiver was obtained for a covenant in breach at the year end. Had the covenant been met at 30 April 2018, £1,250,000 of the outstanding balance would have been due for repayment within one year with the remainder due for repayment over the period to June 2022.

As at 30 April 2019, a covenant regarding net assets exceeding £3,000,000 was in breach. Had the covenant been met at 30 April 2019, £1,250,000 of the outstanding balance would be due for repayment within one year with the remainder due for repayment over the period to June 2022.

Interest accrues on the loan principal at 3.25 per cent. over LIBOR. 50 per cent. of the loan is guaranteed by certain members of Elixirr LLP. An arrangement fee of £50,000 has been offset against the loan and amortised to finance costs over the repayment period. The bank loan was repaid in full on 15 July 2019.

16. Provisions

	<i>As at 30 April 2017 £</i>	<i>As at 30 April 2018 £</i>	<i>As at 30 April 2019 £</i>	<i>As at 30 June 2019 £</i>
Dilapidations provision	–	–	147,730	147,730
	<u>–</u>	<u>–</u>	<u>147,730</u>	<u>147,730</u>

17. Financial instruments

Elixirr LLP Group's financial instruments may be analysed as follows:

	<i>As at 30 April 2017 £</i>	<i>As at 30 April 2018 £</i>	<i>As at 30 April 2019 £</i>	<i>As at 30 June 2019 £</i>
Financial assets				
Financial assets that are debt instruments measured at amortised cost	6,464,459	5,547,984	7,464,271	9,903,411
	<u>6,464,459</u>	<u>5,547,984</u>	<u>7,464,271</u>	<u>9,903,411</u>
Financial liabilities				
Financial liabilities measured at amortised cost	9,507,746	12,185,230	10,846,838	11,179,612
	<u>9,507,746</u>	<u>12,185,230</u>	<u>10,846,838</u>	<u>11,179,612</u>

Financial assets measured at amortised cost comprise cash, trade receivables and other receivables including amounts due from members.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade payables, other payables and lease liabilities.

18. Financial risk management

Elixirr LLP Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of Elixirr LLP Group's financial instruments are classified as loans and receivables.

Elixirr LLP Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which Elixirr LLP Group is exposed are described below:

Credit risk

Generally Elixirr LLP Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	<i>As at 30 April 2017 £</i>	<i>As at 30 April 2018 £</i>	<i>As at 30 April 2019 £</i>	<i>As at 30 June 2019 £</i>
Trade receivables	3,014,180	1,947,925	2,019,942	4,434,515
Contract assets	169,707	244,596	639,417	193,585
Other receivables	330,476	627,794	672,798	477,567
Cash and cash equivalents	2,950,096	2,913,622	4,132,114	4,693,503
	<u>6,464,459</u>	<u>5,733,937</u>	<u>7,464,271</u>	<u>9,799,170</u>

Credit risk is the risk of financial risk to Elixirr LLP Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of Elixirr LLP Group's debtor balances, the time taken for payment by clients and the associated credit risk are dependent on the type of engagement.

Elixirr LLP Group's trade and other receivables are actively monitored. The ageing profit of trade receivables is monitored regularly by members. Any debtors over 30 days are reviewed by the entire partner group every 2 weeks and explanations sought for any balances that have not been recovered.

Unbilled revenue is recognised by Elixirr LLP Group only when all conditions for revenue recognition have been met in line with Elixirr LLP Group's accounting policy.

There is a counterparty credit risk associated with cash and cash equivalents.

The members are of the opinion that there is no material credit risk at group level.

Liquidity risk

Liquidity risk is the risk that Elixirr LLP Group will encounter difficulty in meeting its obligations associated with its financial liabilities. Elixirr LLP Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The tables below analyses the Elixirr LLP Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

Contractual maturities of financial liabilities at 30 April 2017

	<i>Less than 6 months £</i>	<i>6-12 months £</i>	<i>Between 1 and 2 years £</i>	<i>Between 2 and 5 years £</i>	<i>Over 5 years £</i>	<i>Total contractual cashflows £</i>	<i>Carrying amount (assets)/ liabilities £</i>
Trade payables	773,336	–	–	–	–	773,336	773,336
Lease liabilities	272,685	417,240	1,768,067	3,596,612	3,642,786	9,697,389	7,180,371
Total	<u>1,046,021</u>	<u>417,240</u>	<u>1,768,067</u>	<u>3,596,612</u>	<u>3,642,786</u>	<u>10,470,725</u>	<u>7,953,707</u>

Contractual maturities of financial liabilities at 30 April 2018

	<i>Less than 6 months £</i>	<i>6-12 months £</i>	<i>Between 1 and 2 years £</i>	<i>Between 2 and 5 years £</i>	<i>Over 5 years £</i>	<i>Total contractual cashflows £</i>	<i>Carrying amount (assets)/ liabilities £</i>
Trade payables	585,051	–	–	–	–	585,051	585,051
Loan borrowings	3,485,712	–	–	–	–	3,485,712	3,485,712
Lease liabilities	446,151	446,151	1,696,921	3,469,320	2,948,922	9,007,465	6,895,311
Total	<u>4,516,914</u>	<u>446,151</u>	<u>1,696,921</u>	<u>3,469,320</u>	<u>2,948,922</u>	<u>13,078,228</u>	<u>10,966,074</u>

Contractual maturities of financial liabilities at 30 April 2019

	<i>Less than 6 months £</i>	<i>6-12 months £</i>	<i>Between 1 and 2 years £</i>	<i>Between 2 and 5 years £</i>	<i>Over 5 years £</i>	<i>Total contractual cashflows £</i>	<i>Carrying amount (assets)/ liabilities £</i>
Trade payables	707,561	–	–	–	–	707,561	707,561
Loan borrowings	2,222,035	–	–	–	–	2,222,035	2,222,035
Lease liabilities	446,151	446,151	1,515,020	3,469,320	2,255,058	8,131,699	6,341,682
Total	<u>3,375,747</u>	<u>446,151</u>	<u>1,515,020</u>	<u>3,469,320</u>	<u>2,255,058</u>	<u>11,061,295</u>	<u>9,271,278</u>

Contractual maturities of financial liabilities at 30 June 2019

	<i>Less than 6 months £</i>	<i>6-12 months £</i>	<i>Between 1 and 2 years £</i>	<i>Between 2 and 5 years £</i>	<i>Over 5 years £</i>	<i>Total contractual cashflows £</i>	<i>Carrying amount (assets)/ liabilities £</i>
Trade payables	1,141,979	–	–	–	–	1,141,979	1,141,979
Loan borrowings	1,977,231	–	–	–	–	1,977,231	1,977,231
Lease liabilities	446,151	446,151	1,481,947	3,469,320	2,139,414	7,982,982	6,260,589
Total	<u>3,565,361</u>	<u>446,151</u>	<u>1,481,947</u>	<u>3,469,320</u>	<u>2,139,414</u>	<u>11,102,192</u>	<u>9,379,799</u>

Interest rate risk

The loan facilities that Elixirr LLP Group has in place (see note 15) are exposed to interest rate risk. Included within loans and borrowings is a bank loan, which is exposed to interest rate risk as interest is charged on the bank loan at 3.25 per cent. over LIBOR. The balance on the bank loan was £3,485,712 as at 30 April 2018, £2,222,035 as at 31 April 2019 and £1,977,231 as at 30 June 2019.

Elixirr LLP Group has used a sensitivity analysis technique that measured the estimated change to the statement of comprehensive income and equity of a 1 per cent. increase or decrease in interest rates for

each class of financial instrument, with other variables remaining unchanged. The sensitivity analysis is based on the assumptions that changes in market interest rates affect the interest of variable interest financial instruments.

Under these assumptions, a 1 per cent. increase or decrease in market interest rate for all financial liabilities held by Elixirr LLP Group would have increased/(decreased) the profit before tax and equity by the following amounts:

	<i>As at 30 April 2017 £</i>	<i>As at 30 April 2018 £</i>	<i>As at 30 April 2019 £</i>	<i>As at 30 June 2019 £</i>
1% increase	<u>(10,645)</u>	<u>(32,442)</u>	<u>(40,599)</u>	<u>(7,641)</u>
1% decrease	<u>10,645</u>	<u>32,442</u>	<u>40,599</u>	<u>7,641</u>

Foreign currency risk

Elixirr LLP Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily US Dollars. Elixirr LLP Group monitors exchange rate movements closely and ensure adequate funds are maintained in appropriate currencies to meet known liabilities.

The Elixirr LLP Group's exposure to foreign currency risk at the end of the respective reporting period, expressed in Currency Units, was as follows:

	<i>As at 30 April 2017</i>		<i>As at 30 April 2018</i>		<i>As at 30 April 2019</i>		<i>As at 30 June 2019</i>	
	<i>USD</i>	<i>EUR</i>	<i>USD</i>	<i>EUR</i>	<i>USD</i>	<i>EUR</i>	<i>USD</i>	<i>EUR</i>
Cash & cash equivalents	<u>–</u>	<u>€6,218</u>	<u>\$63,051</u>	<u>€4,565</u>	<u>\$560,856</u>	<u>€4,056</u>	<u>\$223,240</u>	<u>€3,815</u>

Elixirr LLP Group is exposed to foreign currency risk on the relationship between the functional currencies of Elixirr LLP Group companies and the other currencies in which Elixirr LLP Group's material assets and liabilities are denominated. The table below summaries the effect on profit and loss had the functional currencies of Elixirr LLP Group weakened or strengthened against these other currencies, with all other variables held constant.

	<i>As at 30 April 2017 £</i>	<i>As at 30 April 2018 £</i>	<i>As at 30 April 2019 £</i>	<i>As at 30 June 2019 £</i>
10% weakening of functional currency	<u>524</u>	<u>4,978</u>	<u>43,734</u>	<u>17,934</u>
10% strengthening of functional currency	<u>(524)</u>	<u>(4,978)</u>	<u>(43,734)</u>	<u>(17,934)</u>

The impact of a change of 10 per cent. has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

Fair value of financial instruments

The fair values of all financial assets and liabilities approximates their carrying value.

19. Related party disclosures

There is no ultimate controlling party of Elixirr Partners LLP.

Key management personnel include all designated members and a number of senior members and senior managers across Elixirr LLP Group who together have authority and responsibility for planning, directing and controlling the activities of Elixirr LLP Group. Key management personnel does not include all partners of the Elixirr LLP Group. The total compensation paid to key management personnel for services provided to Elixirr LLP Group is as follows:

	<i>Year to 30 April 2017 £</i>	<i>Year to 30 April 2018 £</i>	<i>Year to 30 April 2019 £</i>	<i>Period to 30 June 2019 £</i>
Aggregate emoluments including short term employee benefits	1,591,091	1,960,969	2,004,269	503,100
	<u>1,591,091</u>	<u>1,960,969</u>	<u>2,004,269</u>	<u>503,100</u>

Additions to software under construction include consultancy time of Peter Wyse, a member of Elixirr LLP. The total amount paid to Peter Wyse was £122,000 in the year ended 30 April 2018 (2017 – £100,000) with no amounts outstanding as at 30 April 2018.

During the year ended 30 April 2018, a bank loan was drawn down to finance the buy-back of profit units from certain members to reduce their profit unit holding. The buy-back was funded by an additional division of profits in the year of £4,992,000.

Travel and marketing costs include the hire of an aeroplane from Aviation E LLP, Stephen Newton a member of Elixirr LLP is also a member of Aviation E LLP. The total expense incurred was £43,840 for the two months to 30 June 2019 (2019: £19,240) in 2019 with £15,000 outstanding as at 30 June 2019 (2019: £2,408). No costs were incurred in 2018 or 2017.

In the year ended 30 April 2019, £392,633 of Associate Partner Commission was expensed for Peter Wyse who was a member of Elixirr LLP until 30 September 2019. An additional £62,212 is included in prepayments as at 30 April 2019.

Consulting fees of £6,000 were paid to Keith Edginton a member of Elixirr LLP for client mentoring services in the year ended 30 April 2019. No balance was outstanding as at 30 June 2019 (2019: £nil, 2018: £nil, 2017: £nil). No costs were incurred in the two month period to 30 June 2019, 2018 or 2017.

Legal fees of £16,000 were paid to Ian Ferguson a member of Elixirr LLP for legal counsel for the two month period to 30 June 2019. No balance was outstanding as at 30 June 2019 (2019: £nil, 2018: £nil, 2017: £nil). No costs were incurred in 2019, 2018 or 2017.

20. Business combinations

Acquisition of Den Creative

On 6 October 2017 Elixirr LLP Group acquired 100 per cent. of Den Creative Limited for £245,000 cash consideration.

In calculating the goodwill arising on acquisition, the fair value of net assets of Den Creative Limited have been assessed, no adjustments from book value have been considered necessary.

	<i>Fair value</i> £
Fixed assets	
Tangible assets	12,209
Current assets	
Debtors	19,390
Cash at bank and in hand	14,149
Total assets	45,748
<i>Creditors due within one year</i>	(36,328)
Fair value of net assets acquired	9,420
Goodwill (note 9)	235,580
Total purchase consideration	245,000
Purchase consideration settled	(120,000)
Cash and cash equivalents in subsidiary acquired	14,149
Cash outflow on acquisition	105,851

Since acquisition, Den Creative has contributed £286,862 to the turnover of Elixirr LLP Group and £99,466 to Elixirr LLP Group's profit for the year ended 30 April 2018.

Acquisition of Medius Consulting Limited

On 1 May 2018 Elixirr LLP Group acquired 100 per cent. of Medius Consulting Limited for £125,000 cash consideration.

In calculating the goodwill arising on acquisition, the fair value of net assets of Medius Consulting Limited have been assessed, no adjustments from book value have been considered necessary.

	<i>Fair value</i> £
Current assets	
Debtors	191,535
Cash at bank and in hand	67,364
Total assets	258,899
<i>Creditors due within one year</i>	(258,899)
Fair value of net assets acquired	–
Goodwill (note 9)	125,000
Total purchase consideration	125,000
Purchase consideration settled	(65,000)
Cash and cash equivalents in subsidiary acquired	67,364
Cash inflow on acquisition	2,364

Since acquisition, Medius Consulting has contributed £747,036 to the turnover of Elixirr LLP Group and made a loss of £70,056 for the year ended 30 April 2019. Details of disposal after the reporting end date are disclosed in note 21.

21. Events after the balance sheet date

On 1 July 2019, Elixirr LLP Group was restructured. Elixirr LLP sold its business and substantially all of its assets (including shares in its subsidiary companies) and liabilities, (other than cash, balances in relation to taxation and balances with members) to Elixirr Consulting Limited (company number 11723371), a company

owned by the members of Elixirr LLP. Elixirr LLP ceased to trade from that date. The consideration for the transaction was in shares of Elixirr Consulting Limited.

The bank loan included in note 15 to the historical financial information was repaid on 15 July 2019.

On 31 July 2019, Medius Consulting Limited was sold back to the previous majority shareholder. The fair value of the assets sold was £nil with the balance of the purchase consideration of £60,000 waived.

22. Nature of financial information

The financial information presented above does not constitute statutory financial statements for the period under review.

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



6 July 2020

The Directors
Elixirr International plc
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London EC1V 3QJ

finnCap Ltd
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Dear Sirs,

Introduction

We report on the audited consolidated historical financial information of Elixirr International Plc and its subsidiaries (the **"Group"**) as set out in this section of the Admission document dated 6 July 2020 (the **"Document"**) of Elixirr International plc (the **"Company"**). The historical financial information of the Group has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the historical financial information of the Group. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the **"AIM Rules"**) and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the **"Directors"**) are responsible for preparing the historical financial information of the Group in accordance with International Financial Reporting Standards as adopted by the European Union (**"IFRS"**).

It is our responsibility to form an opinion on the historical financial information of the Group as to whether it gives a true and fair view, for the purposes of the Document and to report our opinion to you.

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

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information of the Group. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information underlying the historical financial information of the Group and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Opinion

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

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

Declaration

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

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

STATEMENT OF COMPREHENSIVE INCOME

The statements of comprehensive income of the Group for the period ended 31 December 2019 is set out below:

	<i>Note</i>	<i>6 months ended 31 December 2019 £</i>
Revenue	4	13,131,544
Cost of sales		<u>(8,648,144)</u>
Gross profit		<u>4,483,400</u>
Administrative expenses		(2,232,267)
Exceptional items	5	(265,042)
Other income		<u>—</u>
Operating profit, being profit on ordinary activities before interest and taxation	6	1,986,091
Profit on disposal of subsidiary	7	68,432
Finance income	10	740
Finance expense	10	<u>(323,703)</u>
Profit on ordinary activities before taxation		1,731,560
Taxation	11	<u>(544,937)</u>
Profit for the period attributable to the owners of the parent		1,186,623
Other comprehensive income		
Currency translation on foreign currency net investments		<u>(46,330)</u>
Total comprehensive income attributable to the owners of the parent		<u><u>1,140,293</u></u>
Earnings per share for profit attributable to the ordinary equity holders of the Company		£
Basic earnings per share	27	3.19
Diluted earnings per share	27	3.19

All operations are continuing operations.

STATEMENT OF FINANCIAL POSITION

The statements of financial position of the Group as at 31 December 2019 is set out below:

		31 December 2019 £
	Note	
Non-current assets		
Intangible assets	12	49,324,429
Tangible assets	13	6,205,926
Other receivables	15	416,318
Total non-current assets		<u>55,946,673</u>
Current assets		
Trade and other receivables	15	5,912,135
Cash and cash equivalents	16	3,001,420
Total current assets		<u>8,913,555</u>
Total assets		<u>64,860,228</u>
Non-current liabilities		
Loans and borrowings	18	(12,660,741)
Deferred tax liability	11	(538,089)
Provisions	19	(147,730)
		<u>—</u>
Total non-current liabilities		<u>(13,346,560)</u>
Current liabilities		
Trade and other payables	17	(4,710,489)
Current tax liabilities		(790,276)
Loans and borrowings	18	(1,372,629)
Total current liabilities		<u>(6,873,394)</u>
Total liabilities		<u>(20,219,954)</u>
Net assets		<u>44,640,274</u>
Equity		
Share capital	23	3,331
Merger relief reserve	23	43,496,650
Foreign currency translation reserve	24	(46,330)
Capital redemption reserve	24	19
Retained earnings	24	1,186,604
		<u>44,640,274</u>

STATEMENT OF CHANGES IN EQUITY

The statements of changes in equity of the Group for the period ended 31 December 2019 is set out below:

	Share capital £	Capital redemption reserve £	Merger relief reserve £	Foreign currency translation reserve £	Retained earnings £	Total £
Balance on incorporation	1	–	–	–	–	1
Profit for the period	–	–	–	–	1,186,623	1,186,623
Other comprehensive income	–	–	–	(46,330)	–	(46,330)
Total comprehensive income for the period	–	–	–	(46,330)	1,186,623	1,140,293
Transactions with owners in their capacity as owners:						
Contributions of equity net of transaction costs	3,349	–	43,496,650	–	–	43,499,999
Share buy-back	(19)	19	–	–	(19)	(19)
Balance at 31 December 2019	3,331	19	43,496,650	(46,330)	1,186,604	44,640,274

STATEMENT OF CASH FLOWS

The statements of cash flow of the Group for the six months ended 31 December 2019 is set out below:

	<i>6 months ended 31 December 2019 £</i>
Cash flows from operating activities	
Profit/(loss) before taxation	1,731,560
<i>Adjustments for:</i>	
Depreciation, amortisation and impairment	1,444,630
Net finance expense	323,703
Decrease/(Increase) in trade and other receivables	(4,732,493)
(Decrease)/Increase in trade and other payables	2,628,798
Foreign exchange	24,698
Cash generated from operations	1,420,896
Taxation paid	(73,508)
Interest payable	(197,294)
Net cash from operating activities	<u>1,347,380</u>
Cash flows from investing activities	
Purchase of tangible fixed assets	(4,975)
Cash acquired with subsidiary undertaking	588,149
Interest received	740
Net cash from investing activities	<u>583,914</u>
Cash flows from financing activities	
Proceeds from borrowings	2,000,000
Repayment of borrowings	(375,000)
Interest payable	(57,004)
Lease repayments	(422,576)
Net cash from financing activities	<u>1,145,420</u>
Net decrease in cash and cash equivalents	<u>3,076,722</u>
Cash and cash equivalents at beginning of period	–
Effects of exchange rate changes on cash and cash equivalents	(75,302)
Cash and cash equivalents at end of period	<u>3,001,420</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

The Group's principal activities are the provision of consultancy services.

The Company is a limited company incorporated in England and Wales and domiciled in the UK. The address of the registered office is 12 Helmet Row, London, EC1V 3QJ and the company number is 11723404.

The Company was incorporated on 12 December 2018 but was dormant from this date until 1 July 2019. An acquisition occurred in July 2019 resulting in the Company no longer being dormant. See note 26 for further details. As such, this historical financial information presents the period from 1 July 2019 to 31 December 2019.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the historical financial information of the Group, which have been applied consistently to the period presented, are set out below:

Basis of preparation

The historical financial information has been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC") as adopted by the European Union ("IFRS"). The historical financial information does not constitute statutory accounts within the meaning of the 2006 Companies Act.

The functional and presentational currency of the Group is pounds sterling.

Measurement convention

The consolidated financial information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the consolidated financial information in compliance with IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

Basis of consolidation

The consolidated financial information incorporates the financial information of Elixirr International Limited and all of its subsidiary undertakings. Subsidiary undertakings include entities over which the Group has effective control. The acquisition method of accounting has been adopted.

Going concern

At the date of this historical financial information, the Group revenue has increased on the prior year comparable period of Elixirr Partners LLP, and the Group is well capitalised with its overdraft facility undrawn and significant headroom on its bank covenants.

The Board has considered the impact of the ongoing COVID-19 pandemic. There has been minimal impact on trading to date with employees able to work remotely to continue to provide services to clients of the Group. Given the impact of COVID-19 in the economy generally, the Board has performed a number of stress tests to assess the ability of the Group to continue as a going concern.

The Directors have prepared cash flow forecasts for the Group for a review period of 12 months from the date of approval of this historical financial information. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance.

The forecasts have been sensitised for a further significant reduction in revenue to the end of the review period, with appropriate additional cost mitigations. In the sensitised scenario, the forecasts indicate the Group would still have sufficient cash to continue as a going concern.

Having considered the points above, the Directors remain confident in the long-term future prospects for the Company and the Group, and their ability to continue as going concerns for the foreseeable future. They therefore adopt the going concern basis in preparing the historical financial information of the Group.

Revenue recognition

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, including expenses and disbursements but excluding discounts and Value Added Tax. Variable consideration is included in revenue only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining the level of variable consideration are resolved. This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.
- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.
- Contingent-fee contracts, over and above any agreed minimum fee, are recognised at the point in time that the contingent event occurs and the Group has become entitled to the revenue.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price. Where these are not directly observable, they are estimated based on expected cost-plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone selling price of each performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in the statement of comprehensive income in the period in which the circumstances that give rise the revision became known.

For time-and-materials, and fixed-fee contracts, fees are normally billed on a monthly basis. For performance-fee and contingent-fee contracts, fees are normally billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Group exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Contract assets are reclassified as receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

The Group's standard payment terms require settlement of invoices within 30 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

Business combinations

The Group applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, 'Business Combinations'.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as operating expenses. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

The Group acquired the trade and some of the assets of Elixirr Partners LLP, an entity under common control, on 1 July 2019.

Transactions with entities under common control are not within the scope of IFRS 3 “Business Combinations”. In these circumstances IAS 8 requires the Directors to develop a policy that is relevant to the decision making needs of the users and that is reliable as there is no specific applicable standard or interpretation.

Having considered the nature of the transaction, noting that some assets were not transferred with the business and the anticipation of a future corporate transaction, the Directors have chosen to apply IFRS 3 as this was considered to be the most appropriate method to reflect the acquisition.

The fair value of the purchase consideration was £50,000,000 and the nature of the consideration was shares issued. Fair value adjustments to the assets acquired have been recognised on the transaction as disclosed in note 26. The difference between the fair value of the purchase consideration and the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. The goodwill is attributable to the company’s workforce and working methodologies and it will not be deductible for tax purposes.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profits as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Foreign currency translation

(a) Function and presentational currency

Items included in the historical financial information of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated historical financial information is presented in ‘sterling’, which is the Group’s functional currency and presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated

at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are subsequently carried at cost or fair value (depending on how acquired) less accumulated amortisation and impairment losses.

The Group amortises intangible assets with a limited useful life using the following methodology:

Trademarks	–	33.33 per cent. reducing balance method
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Goodwill

Goodwill is initially measured at cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

Tangible assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses.

Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Leasehold improvements	–	Over the life of the lease
Computer equipment	–	3 years
Fixtures and fittings	–	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Low value equipment including computers is expensed as incurred.

Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not a fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the trade date when the Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. All financial instruments held are classified as loans and receivables.

(a) Trade and other receivables and trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

(b) Unbilled revenue

Unbilled revenue is recognised at the fair value of consultancy services provided at the balance sheet date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. This is included in contract assets.

(c) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only on the cash flow statement.

(e) Preference shares

Preference shares, which are non-redeemable with non-discretionary dividends, have both equity and liability elements.

The liability element is calculated as the present value of the future contractual cash flows, discounted at a market rate of interest, estimated at 10 per cent. This amount is recorded as a liability on an amortised cost basis until extinguished or converted. The equity element is calculated as the residual value (i.e. the difference between the proceeds from the issue of the shares less the liability component) and is recognised and included in shareholders' equity.

The dividends on the preference shares are recognised in profit or loss as finance costs.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligations as a result of a past event, that can be reliably measured and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Post-retirement benefits

The Group pays into defined contribution pension schemes on behalf of employees, that are operated by third parties. The assets of the schemes are held separately from those of the Group in independently administered funds.

The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

Right-of-use assets: Leases

The Group leases one property in the UK from which it operates.

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

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. This has been estimated at 5.0 per cent. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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

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

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

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

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

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities, finance leases recognised in the income statement using the effective interest method and the unwinding of the discount on provisions. Financing expenses does not include foreign exchange losses, and these are recognised in the statement of comprehensive income.

Financing income includes interest receivable on funds invested.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

Adoption of new and revised standards and interpretations

The Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

<i>Standard</i>	<i>Effective date, annual period beginning on or after</i>
IFRS 16 Leases	1 January 2019

– IFRS 16 ‘Leases’

IFRS 16 specifies how the Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For each lease, the Group has recognised an asset reflecting the right to use the leased asset for the remaining lease term and a lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet. There has been no impact on cash flow but there has been an impact on the statement of comprehensive income as the operating lease payments have been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

The Group has taken advantage of the exemptions available under IFRS 16 not to apply the recognition and requirements of IFRS 16 to leases with a term of 12 months or less. The recognition of these exempted leases will therefore continue unchanged – a charge will be recognised in the income statement based on straight-line recognition of the lease payments payable on each lease, after adjustment for lease incentives received.

Standards issued but not yet effective:

The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the historical financial information. In some cases these standards and guidance have not been endorsed for use in the European Union.

<i>Standard</i>	<i>Effective date, annual period beginning on or after</i>
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Conceptual Framework and Amendments to References to
the Conceptual Framework in IFRS Standards
Amendments to IFRS 3 *Business Combinations*
Amendments to IAS 1 and IAS 8: *Definition of Material*

1 January 2020
1 January 2020
1 January 2020

The new standards, listed above, are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. Judgements and key sources of estimation uncertainty

The preparation of the historical financial information requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the historical financial information. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

- Revenue is recognised in line with time worked on a project unless the engagement is conditional or contingent. Management review accrued revenue to determine whether there is any likelihood of any amendments or provisions required based on project progress and relationship with the client.
- Full provision is made for loss making projects in the period in which the loss is first foreseen, and for the cost of conditional or contingent engagements prior to the event occurring. Estimation is required of costs to complete and the provision necessary.
- The Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.
- Provisions for dilapidations is accrued based on estimation of the cost expected to crystallise on vacating leased premises.
- Preference shares, which are non-redeemable with non-discretionary dividends, have both equity and liability elements. The liability element is calculated as the present value of future contractual cash flows, discounted at a market rate of interest, estimated at 10 per cent. The equity element is calculated as the residual value.
- Amortisation period of trademarks is an estimate by the Directors based on the expected useful life and is assessed annually for any changes based on current circumstances.

4. Operating segments

Revenue arises from:

	<i>Period to 31 December 2019 £</i>
United Kingdom	4,327,582
Europe	2,178,355
Africa	2,892,216
USA	2,428,082
Rest of World	1,305,309
	<u>13,131,544</u>

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Group is operated as one global business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. The Directors therefore

consider that the Group has one operating segment. As such, no additional disclosure has been recorded under IFRS 8.

5. Exceptional items

	<i>Period to 31 December 2019 £</i>
Exceptional items	265,042
	<u>265,042</u>

Exceptional items during the period relate to costs associated with the acquisition that occurred in July 2019 and a strategic review of the options for the Group. For further details of the acquisition, see note 26.

6. Operating profit

Operating profit is arrived at after charging:

	<i>Period to 31 December 2019 £</i>
Depreciation – owned assets	52,591
Depreciation – leased assets	282,458
Amortisation/impairment	1,109,581
Foreign exchange (gains)/losses	24,698
	<u>1,469,328</u>

Auditor's remuneration:

	<i>Period to 31 December 2019 £</i>
Audit of the Company financial statements	26,000
Audit of subsidiary financial statements	31,000
	<u>57,000</u>

7. Profit on disposal of subsidiary

	<i>Period to 31 December 2019 £</i>
Profit on disposal of subsidiary	68,432
	<u>68,432</u>

On 31 July 2019, Medius Consulting Limited, a direct subsidiary, was sold back to the previous majority shareholder. The fair value of the assets sold was £nil with the balance of original purchase consideration of £60,000 waived.

8. Staff costs

The average number of persons employed by the Group during the year, analysed by category, was as follows:

	<i>Period to 31 December 2019 Number</i>
Directors, management and partners	20
Provision of services	89
Administration	10
	<u>119</u>

The aggregate payroll costs of these persons were as follows:

	<i>Period to 31 December 2019 £</i>
Wages and salaries	5,493,975
Social security costs	688,445
Pension costs	133,170
	<u>6,315,590</u>

Defined contribution pension schemes are operated by third parties on behalf of the employees of the Group. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group to the funds and amount to £133,170 for the period ended 31 December 2019. Contributions amounting to £34,550 were payable to the fund as at 31 December 2019 and are included in creditors.

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	<i>Period to 31 December 2019 £</i>
Remuneration	<u>380,148</u>

Remuneration of the highest paid director in respect of qualifying services:

	<i>Period to 31 December 2019 £</i>
Aggregate remuneration	<u>252,138</u>

10. Finance income and expenses

	<i>Period to 31 December 2019 £</i>
On short term deposits and investments	740
Total finance income	<u>740</u>
On bank loans and overdrafts at amortised cost	56,264
Preference share dividend	127,149
On lease liability	140,290
Total finance expense	<u><u>323,703</u></u>

11. Taxation on profit on ordinary activities

	<i>Period to 31 December 2019 £</i>
<i>Current tax</i>	
Current tax on income for the year	577,734
Adjustments in respect of prior periods	60,351
Total current tax	<u><u>638,085</u></u>
<i>Deferred tax</i>	
(Decrease)/increase in deferred tax liabilities	(93,148)
Total deferred tax	<u><u>(93,148)</u></u>
Total income tax expense	<u><u>544,937</u></u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19 per cent.

	<i>Period to 31 December 2019 £</i>
Profit on ordinary activities before taxation	<u>1,731,560</u>
Profit on ordinary activities multiplied by rate of tax	328,996
Expenses not deductible	49,251
Difference in overseas tax rates	45,022
Exceptional items not deductible	50,358
Adjustment in respect of prior periods	60,351
Closing deferred tax rate lower/(higher) than main current tax rate	10,959
Tax on profit	<u><u>544,937</u></u>

Deferred tax liability

The balance comprises temporary differences attributable to:

	As at 31 December 2019			
	£			
Property, plant and equipment				57,153
Intangible assets				480,936
Total deferred tax liabilities				<u>538,089</u>
	Property, plant and equipment	Intangible asset	Other	Total
	£	£	£	£
Movements				
On incorporation	–	–	–	–
Acquisition of business	65,137	569,500	(3,400)	631,237
Charged/(credited) to profit and loss	(7,984)	(88,564)	3,400	(93,148)
At 31 December 2019	<u>57,153</u>	<u>480,936</u>	<u>–</u>	<u>538,089</u>

12. Intangible assets

	Goodwill	Trademarks	Total
	£	£	£
Cost			
On incorporation	–	–	–
Acquisition of business	43,299,010	7,135,000	50,434,010
Additions	–	–	–
Disposals	–	–	–
At 31 December 2019	<u>43,299,010</u>	<u>7,135,000</u>	<u>50,434,010</u>
Amortisation			
On incorporation	–	–	–
Amortisation	–	1,109,581	1,109,581
At 31 December 2019	<u>–</u>	<u>1,109,581</u>	<u>1,109,581</u>
Net book value			
At 31 December 2019	43,299,010	6,025,419	49,324,429
On incorporation	–	–	–

Goodwill relates to the acquisition of Elixirr Consulting Limited on 1 July 2019. Goodwill was calculated as the fair value of initial consideration paid less the fair value of assets at the date of the acquisition (see note 26).

Impairment review

The breakdown of goodwill by acquisition is listed below:

	Period to 31 December 2019
	£
Elixirr Consulting Limited	<u>43,299,010</u>
	<u>43,299,010</u>

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at fair value less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

There are three steps to performing an impairment review:

1. Allocating the goodwill to the relevant cash generating unit (CGU) or multiple CGUs.
2. Determining the recoverable amount of the CGU to which the goodwill belongs.
3. Recognising any impairment losses after performing an impairment review of the CGU or CGUs.

Goodwill acquired in a business combination represents future economic benefits arising from assets that are not capable of being individually identified and separately recognised. Goodwill does not generate cash flows independently from other assets or groups of assets and so the recoverable amount of goodwill as an individual asset cannot be determined. Therefore, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination.

The definition of a CGU is "the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets") per IAS 36).

In accordance with IAS 36, a CGU to which goodwill has been allocated shall be tested for impairment annually and whenever there is indication of impairment by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise an impairment loss.

The recoverable amount is the higher of a CGU's fair value less costs to sell and its value in use. In brief the fair value less costs to sell is likely to involve a valuation of the CGU if sold at an arm's length and deducting the costs of disposal.

The value in use will involve a discounted cash flow ('DCF') calculation estimating the future cash inflows and outflows to be derived from the continuing use of the CDU. The DCF calculation would include the estimated net cash flows, if any, to be received for the disposal of the CGU at the end of its useful life.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are those regarding:

- number of years of cash flows used and budgeted EBITDA growth rate
- discount rate; and
- terminal growth rate

The carrying value of goodwill arising on acquisitions is £43,299,010 being the fair value of consideration payable (£50,000,000) for the acquisition of Elixirr Consulting Limited less the net assets on acquisition (£6,700,990). No impairment is indicated by the value in use calculation.

Number of years of cash flows used and budgeted growth rate

The recoverable amount of the CGU is based on a value in use calculation using specific cash flow projections over a five year period and a terminal growth rate thereafter.

The five year forecast is prepared considering the Directors' expectations based on market knowledge, numbers of new engagements and the pipeline of opportunities.

Discount rate

The Group's post-tax weighted average cost of capital has been used to calculate a discount rate of 10 per cent., which reflects current market assessments of the time value of money for the period under review and the risks specific to the Group.

Terminal growth rate

An appropriate terminal growth rate is selected, based on the Directors' expectations of growth beyond the five year period. The terminal growth rate used is 2 per cent.

Sensitivity to changes in assumptions

With regard to the value in use assumptions, the Directors believe that reasonably possible changes in any of the above key assumptions would not cause the carrying value of the unit to exceed its recoverable amount. In forming this view, the Directors have considered that:

- On current cash flow projections, the discount rate would have to exceed 24 per cent. for there to be any impairment; and
- Even in the case of no increase in future cash flows above those projected for the year ending 31 December 2020, the discount rate would have to exceed 12 per cent. for there to be any impairment.

13. Tangible assets

	<i>Right of use asset</i>	<i>Furniture and fittings</i>	<i>Leasehold Improvements</i>	<i>Computer Equipment</i>	<i>Total</i>
Cost	£	£	£	£	£
On incorporation	–	–	–	–	–
Acquisition of business	5,918,591	65,112	499,084	53,213	6,536,000
Additions	–	–	–	4,975	4,975
At 31 December 2019	<u>5,918,591</u>	<u>65,112</u>	<u>499,084</u>	<u>58,188</u>	<u>6,540,975</u>
Depreciation					
On incorporation	–	–	–	–	–
Charge for the period	263,049	24,967	28,612	18,421	335,049
At 31 December 2019	<u>263,049</u>	<u>24,967</u>	<u>28,612</u>	<u>18,421</u>	<u>335,049</u>
Net book value					
At 31 December 2019	5,655,542	40,145	470,472	39,767	6,205,927
On incorporation	–	–	–	–	–

The net book value of tangible assets includes an amount of £577,178 as at 31 December 2019, in relation to assets held under finance leases and hire purchase contracts.

The lease liability in respect of the right-of-use asset was £5,711,949 as at 31 December 2019. As disclosed in the summary of significant accounting policies, the discount rate used in determining the present value of the lease liability was 5 per cent. The interest expense recognised in the statement of comprehensive income for the period ended 31 December 2019 was £140,290.

14. Investments in subsidiaries

The undertakings in which the Company's interest at the year end is 20 percent or more are as follows:

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Registered office</i>	<i>At 31 December 2019</i>
Elixirr Consulting Limited	England and Wales	Consultancy	12 Helmet Row, London, EC1V 3QJ	100%
Elix-IRR Consulting Services Limited (indirect)	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	100%
Elix-IRR Consulting Services (South Africa) Limited (indirect)	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	100%
Elixirr LLC (indirect)	United States	Consultancy	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%
Elixirr Consulting AI Limited (indirect)	England and Wales	Dormant activities	12 Helmet Row, London, EC1V 3QJ	100%
Elixirr Creative Limited (indirect)	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%
Den Creative Limited (indirect)	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%
Elixirr Services Limited (indirect)	England and Wales	Dormant activities	12 Helmet Row, London, EC1V 3QJ	100%

15. Receivables

<i>Non-current assets</i>	<i>As at 31 December 2019</i>
	£
Other receivables	416,318
	<u>416,318</u>
 <i>Current assets</i>	 <i>As at 31 December 2019</i>
	£
Trade receivables	4,337,968
Contract assets	72,743
Other receivables	1,501,424
	<u>5,912,135</u>

All of the trade receivables were non-interest bearing and receivable under normal commercial terms. The management consider that the carrying value of trade and other receivables approximates to their fair value. The carrying value of non-current other receivables is considered to be the fair value but has not been discounted to present value.

The impairment loss recognised in the income statement for the period in respect of bad and doubtful trade receivables was £14,471.

The ageing of trade receivables is detailed below:

As at 31 December 2019

	< 30 days £	< 60 days £	< 90 days £	< 180 days £	> 180 days £	Total £
Gross carrying amount	<u>4,013,559</u>	<u>264,031</u>	<u>60,378</u>	<u>–</u>	<u>–</u>	<u>4,337,968</u>

16. Cash and cash equivalents

	<i>As at 31 December 2019 £</i>
Cash at bank and in hand	<u>3,001,420</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

17. Trade and other payables

	<i>As at 31 December 2019 £</i>
Current liabilities	
Trade payables	638,667
Other taxes and social security costs	553,000
Preference share dividend	127,149
Other payables and accruals	<u>3,391,673</u>
	<u>4,710,489</u>

The fair value of trade and other payables approximates to book value at the period end. Trade payables are non-interest bearing and are normally settled monthly.

18. Loans and borrowings

	<i>As at 31 December 2019 £</i>
Current liabilities	
Bank loan	750,000
Lease liabilities	<u>622,629</u>
	<u>1,372,629</u>

	<i>As at 31 December 2019 £</i>
Non-current liabilities	
Preference shares treated as liability	6,500,000
Lease liabilities	5,285,741
Bank loan	<u>875,000</u>
	<u>12,660,741</u>

A bank loan of £2,000,000, to be repaid over 3 years was drawn on 9 July 2019. £750,000 of the outstanding balance is due for repayment within one year with the remainder due for repayment over the period to March 2022. Interest accrues on the loan principal at 3.25 per cent. over LIBOR. 50 per cent. of the loan is guaranteed by certain shareholders.

The preference shares treated as a liability represents the fair value of the debt element of the 10 per cent. non-redeemable cumulative preference shares at date of issue of £6,500,000. See note 23 for the rights associated with these shares.

19. Provisions

	<i>As at 31 December 2019 £</i>
Dilapidations provision	147,730
	<u>147,730</u>

20. Financial instruments

The Group's financial instruments may be analysed as follows:

	<i>As at 31 December 2019 £</i>
Financial assets	
Financial assets that are debt instruments measured at amortised cost	9,102,686
Financial liabilities	
Financial liabilities measured at amortised cost	<u>18,190,861</u>

Financial assets measured at amortised cost comprise cash, trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise loans and borrowings, trade payables, preference share dividend and other payables.

21. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as loans and receivables.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below:

Credit risk

Generally the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below:

	<i>As at 31 December 2019</i>
	£
Trade receivables	4,337,968
Contract assets	72,743
Other receivables	1,690,555
Cash and cash equivalents	3,001,420
	<u>9,102,686</u>

Credit risk is the risk of financial risk to the Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of the Group's debtor balances, the time taken for payment by clients and the associated credit risk are dependent on the type of engagement.

The Group's trade and other receivables are actively monitored. The ageing profit of trade receivables is monitored regularly by management. Any debtors over 30 days are reviewed by the entire management group every 2 weeks and explanations sought for any balances that have not been recovered.

Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with the Group's accounting policy.

The directors are of the opinion that there is no material credit risk at group level.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant.

Contractual maturities of financial liabilities at 31 December 2019

	<i>Less than 6 months</i>	<i>6-12 months</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Over 5 years</i>	<i>Total contractual cashflows</i>	<i>Carrying amount (assets)/ liabilities</i>
	£	£	£	£	£	£	£
Trade payables	638,667	–	–	–	–	638,667	638,667
Loan borrowings	405,830	398,298	903,188	–	–	1,707,316	1,625,000
Lease liabilities	446,151	441,151	1,387,728	3,469,320	1,792,482	7,536,832	5,966,192
Preference shares treated as liability	–	127,149	–	–	–	127,149	6,500,000
Total	<u>1,490,648</u>	<u>966,598</u>	<u>2,290,916</u>	<u>3,469,320</u>	<u>1,792,482</u>	<u>10,009,964</u>	<u>14,729,859</u>

Preference shares treated as a liability have only been analysed for the next 12 months as the only expected payment is the 10 per cent. preference share dividend. Thereafter the expected cashflows will be 10 per

cent. of the group's profit and so will depend on the profit generated in future periods and as such cannot be readily determined.

Interest rate risk

The loan facilities that the Group has in place (see note 18) are exposed to interest rate risk. Included within loans and borrowings is a bank loan, which is exposed to interest rate risk as interest is charged on the bank loan at 3.25 per cent. over LIBOR. As at 31 December 2019 the balance drawn down on the bank loan was £1,625,000.

The Group has used a sensitivity analysis technique that measured the estimated change to the statement of comprehensive income and equity of a 1 per cent. increase or decrease in interest rates for each class of financial instrument, with other variables remaining unchanged. The sensitivity analysis is based on the assumptions that changes in market interest rates affect the interest of variable interest financial instruments.

Under these assumptions, a 1 per cent. increase or decrease in market interest rate for all financial liabilities held by the Group would have increased/(decreased) the profit before tax and equity by the following amounts:

	<i>As at</i> <i>31 December 2019</i> £
1% increase	(9,375)
1% decrease	<u>9,375</u>

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily US Dollars. The Group monitors exchange rate movements closely and ensure adequate funds are maintained in appropriate currencies to meet known liabilities.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Currency Units, was as follows:

	<i>As at</i> <i>31 December 2019</i> USD	<i>EUR</i>
Cash & cash equivalents	<u>\$311,861</u>	<u>€145</u>

The Group is exposed to foreign currency risk on the relationship between the functional currencies of the Group companies and the other currencies in which the Group's material assets and liabilities are denominated. The table below summaries the effect on profit and loss had the functional currencies of the Group weakened or strengthened against these other currencies, with all other variables held constant.

	<i>As at</i> <i>31 December 2019</i> £
10% weakening of functional currency	23,515
10% strengthening of functional currency	<u>(23,515)</u>

The impact of a change of 10 per cent. has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

Fair value of financial instruments

The fair values of all financial assets and liabilities approximates to their carrying value.

22. Related party disclosures

Key management personnel include the directors and senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation (including employers' national insurance) paid in respect of key management personnel for services provided to the Group is as follows:

	<i>Period ended 31 December 2019 £</i>
Aggregate emoluments including short term employee benefits	1,091,475
	<u>1,091,475</u>

Loans were made to key management personnel during the period and a balance remained outstanding at the period end as follows:

	<i>As at 31 December 2019 £</i>
At beginning of the period	–
Loans advanced	169,876
Loan repayments received	–
	<u>169,876</u>

The Group made payments on behalf of a related party, Elixirr Partners LLP, totalling net £844,697 during the period. This amount is included in current receivables (£1,020,049) and current liabilities (£175,352) at 31 December 2019.

23. Share capital and merger relief reserve

	<i>As at 31 December 2019</i>		
	<i>Authorised shares</i>	<i>Issued shares</i>	<i>£</i>
Ordinary shares			
A Class	1,000	1,000	14,914,900
B Class	1,500	1,331	20,155,251
10% non-redeemable cumulative preference shares	1,000	1,000	8,429,830
	<u>3,500</u>	<u>3,331</u>	<u>43,499,981</u>

Movement in class A ordinary shares

	<i>Number of shares</i>	<i>Par value</i>	<i>Merger relief reserve</i>	<i>£</i>
On incorporation	1	1	–	1
Share issue/exchange	999	999	14,913,900	14,914,899
Balance at 31 December 2019	<u>1,000</u>	<u>1,000</u>	<u>14,913,900</u>	<u>14,914,900</u>

Movement in class B ordinary shares

	<i>Number of shares</i>	<i>Par value</i>	<i>Merger relief reserve</i>	<i>£</i>
On incorporation	–	–	–	–
Share issue/exchange	1,350	1,350	20,153,920	20,155,270
Share buy-back at par and cancelled	(19)	(19)	–	(19)
Balance at 31 December 2019	<u>1,331</u>	<u>1,331</u>	<u>20,153,920</u>	<u>20,155,251</u>

Movement in preference shares

	<i>Number of shares</i>	<i>Par value</i>	<i>Merger relief reserve</i>	<i>£</i>
On incorporation	–	–	–	–
Share issue/exchange	1,000	1,000	8,428,830	8,429,830
Balance at 31 December 2019	<u>1,000</u>	<u>1,000</u>	<u>8,428,830</u>	<u>8,429,830</u>

Ordinary shares

Class A shares have a par value of £1. They do not entitle the holder to participate in dividends nor share in the proceeds of winding up the company. On a show of hands every holder of class A ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Class B shares have a par value of £1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amount paid on the shares held. These rights are subject to the prior entitlements of the 10 per cent. non-redeemable cumulative preference shares. There are no voting rights attached to the class B ordinary shares.

Preference shares

The 10 per cent. non-redeemable cumulative preference share balance represents the fair value of the equity element of the preference shares at date of issue of £8,429,830. The shares are entitled to dividends at the rate of 10 per cent. of the Group's adjusted profit after tax per annum. If insufficient profits are available in a particular financial year, the dividends accumulate and are payable when sufficient profits are available. The shares do not participate in the winding up of the company and have no voting rights attached to them.

24. Reserves

Merger relief reserve – This reserve records the amounts above the nominal value received for shares sold, less transaction costs in accordance with section 610 of the Companies Act 2006.

Retained earnings – This reserve records retained earnings and accumulated losses less dividends.

Foreign currency translation reserve – This reserve represents foreign currency translations upon consolidation.

Capital redemption reserve – On the buy-back and cancellation of shares, an amount equal to the par value was transferred from retained earnings to the capital redemption reserve for capital maintenance purposes.

25. Capital Management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

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

26. Business combinations

On 1 July 2019, Elixirr Consulting Limited, part of the Group and a subsidiary of the Company, acquired the business and substantially all the assets (including shares in subsidiary companies) of Elixirr Partners LLP. The consideration for the transaction was in shares of Elixirr Consulting Limited.

On 15 July 2019, there was a share for share exchange with the Company acquiring all of the shares in Elixirr Consulting Limited. In consideration, shares in the Company were issued to the former shareholders of Elixirr Consulting Limited. As these two transactions were interlinked and the original intention was always to bring Elixirr Consulting Limited under the control of Elixirr International Limited the acquisition has been accounted for with effect from 1 July 2019.

In calculating the goodwill arising, the fair value of the net assets of the underlying subsidiaries have been assessed, and fair value adjustments were made to the trademarks, right-of-use assets and deferred taxation acquired.

	<i>Fair value</i> £
<i>Non-current assets</i>	
Tangible assets	6,536,001
Intangible assets	7,135,000
Other debtors	416,318
	14,087,319
<i>Current assets</i>	
Trade and other receivables	1,179,642
Cash and cash equivalents	588,149
	1,767,791
Total assets	15,855,110
<i>Non-current liabilities</i>	
Loans and borrowings	(5,773,036)
Deferred tax liability	(631,237)
Provisions	(147,730)
	(6,552,003)
<i>Creditors due within one year</i>	
Trade and other payables	(1,958,652)
Current tax liabilities	(225,845)
Loans and borrowings	(417,620)
	(2,602,117)
Total liabilities	(9,154,120)
Fair value of net assets acquired	6,700,990
Goodwill (note 12)	43,299,010
Fair value of purchase consideration	50,000,000
Cash and cash equivalents in subsidiary acquired	588,149

Since acquisition, the business and subsidiaries acquired as a result of the restructuring have contributed to all of the turnover and the Group profit for the period ended 31 December 2019.

27. Earnings per share

	£
Basic earnings per share	Pence
Basic earnings per share attributable to the ordinary equity holders	3.19
Diluted earnings per share	
Diluted earnings per share attributable to the ordinary equity holders	3.19
Reconciliation of earnings using in calculating earnings per share	£
Profit attributable to the ordinary shareholders of the Company used in calculating basic and diluted earnings per share	1,186,623
Weighted average number of ordinary shares used as the denominator	Number
Weighted average number of shares during the period	1,342
Weighted number of shares issued after the period end	37,219,858
Total weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	37,221,200

28. Events after the balance sheet date

On 31 January 2020, a subdivision of class B ordinary shares took place. The nominal value of these shares changed from £1.00 to £0.01.

On 31 January 2020, 102,500 class B ordinary shares were redesignated into 102,500 class B Founder ordinary shares.

On 11 February 2020, a share issue took place whereby 20,309 class C ordinary shares were issued at a price of £0.99 per share.

Since the period end, a number of buybacks of shares have taken place. These shares were cancelled after being bought back. The value of these transactions and the number of shares bought back and cancelled are as follows:

- £818,016 buyback of 9 £1.00 class B ordinary shares and 5,300 £0.01 class B ordinary shares
- £2,309 buyback of 2,332 class C ordinary shares

Of the above share buy backs, £817,984 were non-cash transactions to the Group as the transactions discharged liabilities of the shareholders to Elixirr Consulting Limited.

On 8 May 2020, an EMI Share Option Plan was implemented. This granted a total of 28,515 options over £0.01 class B ordinary shares to the employees of the Group. Options vest over a period of 6 years and have performance criteria attached.

Further steps to restructure the Company took place in June 2020 as set out below:

- 1 June 2020 – a reduction in the share premium account of the Company by £3,126,684.48 from £50,019,261.56 to £46,892,577.08 through the cancellation of 168 preference shares with a nominal value of £1.00 each in the capital of the Company;
- 9 June 2020 – the subdivision of each Preference Share with a nominal value of £1.00 each to Preference Shares with nominal value of £0.01 each (the “New Preference Shares”);
- 9 June 2020 – the amendment of the articles of association of the Company to introduce a definition of deferred shares and to set out the rights and restrictions associated with such shares;
- 9 June 2020 – the redesignation of 83,200 New Preference Shares to (i) 25,026 class B ordinary shares with a nominal value of £0.01 each in the capital of the Company (the “Class B Ordinary Shares”) and (ii) 58,174 deferred shares with a nominal value of £0.01 each in the capital of the Company (the “Deferred Shares”);

- (e) 9 June 2020 – the redesignation of 3,119 class B founder ordinary shares with a nominal value of £0.01 each (the “Class B Founder Shares”) to Class B Ordinary Shares on the basis of one Class B Founder Share to one Class B Ordinary Share;
- (f) 16 June 2020 – the redesignation of 20,740 class C ordinary shares with a nominal value of £0.01 each (the “Class C Ordinary Shares”) in to (i) 235 Class B Ordinary Shares and (ii) 20,505 Deferred Shares;
- (g) 22 June 2020 – the subdivision of 1,000 class A ordinary shares with nominal value of £1.00 each to 100,000 class A ordinary shares with nominal value of £0.01 each (the “Class A Ordinary Shares”);
- (h) 22 June 2020 – the redesignation of the Class A Ordinary Shares to (i) 27,745 Class B Ordinary Shares and (ii) 72,255 Deferred Shares;
- (i) 22 June 2020 – the subdivision of each Class B Founder Share to class B founder shares with a nominal value of 0.005 pence each (the “New Class B Founder Shares”);
- (j) 22 June 2020 – the subdivision of each Class B Ordinary Share to class B ordinary shares with a nominal value of 0.005 pence each (the “New Class B Shares”);
- (k) 22 June 2020 – the adoption of new articles of association of the Company to reflect the Company’s re-registration as a public limited company, its name change to Elixirr International plc and to provide for Ordinary Shares with a nominal value of 0.005 pence each and redeemable preference shares with a nominal value of £1.00 each in the capital of the Company (the “**Redeemable Preference Shares**”);
- (l) 22 June 2020 – the issue of 50,001 Redeemable Preference Shares (n.b. one of these will be used to fund the consideration of £1.00 required for the buyback below);
- (m) 22 June 2020 – the buyback of 150,934 Deferred Shares for an aggregate consideration of £1.00;
- (n) 22 June 2020 – the redesignation of each New Class B Founder Share to Ordinary Shares on the basis of one New Class B Founder Share to one Ordinary Share;
- (o) 22 June 2020 – the redesignation of each New Class B Share to Ordinary Shares on the basis of one New Class B Ordinary Share to one Ordinary Share.

29. Ultimate controlling party

At 31 December 2019, the ultimate controlling party of the Group was Stephen Newton. Following the completion of the restructuring steps disclosed in note 28, there is no ultimate controlling party at the date of Admission.

30. Nature of financial information

The financial information presented above does not constitute statutory financial statements for the period under review.

SECTION C – UNAUDITED PRO FORMA FINANCIAL INFORMATION

ACCOUNTANT’S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



6 July 2020

The Directors
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Dear Sirs,

Introduction

We report on the unaudited pro forma statement of net assets of the Group (the “**Pro Forma Financial Information**”) set out in this section of Part III of the Company’s AIM admission document dated 6 July 2020 (the “**Admission Document**”). The Pro Forma Financial Information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the Corporate Reorganisation, Partner Loan Agreements, Founder Loan Agreements, other adjustments, receipt of net proceeds from the Placing and repayment of bank loan and Founder Loans might have affected the financial information presented on the basis of the accounting policies adopted by the Group in preparing its published financial statements as at 31 December 2019. This report is required by Schedule Two of the AIM Rules for Companies (the “**AIM Rules**”) and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “**Directors**”) to prepare the Pro Forma Financial Information. It is our responsibility to form an opinion on the Pro Forma Financial Information as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

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

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting 4000 as issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Group.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Group.

Declaration

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

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is an unaudited pro-forma statement of net assets of the Group (the “Pro Forma Financial Information”), which has been prepared on the basis of the financial information of the Group as at 31 December 2019, as adjusted for:

- the receipt of the net proceeds from the Placing;
- the Corporate Reorganisation, Partner Loan Agreements, Founder Loan Agreements and other adjustments; and
- repayment of bank loan and Founder Loans.

as set out in the notes below. The Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature will not represent the actual consolidated financial position of the Group as at the date of Admission.

Unaudited pro-forma net assets

	(Audited) The Group (Note 1)	(Unaudited) Corporate Reorganisation, Partner Loan Agreements, Founder Loan Agreements and other adjustments (Note 2)	(Unaudited) Net proceeds from the Placing (Note 3)	(Unaudited) Repayment of bank loan and Founder Loans (Note 4)	(Unaudited) Pro forma net assets of the Group
£					
Non-current assets					
Intangible assets	49,324,429	–	–	–	49,324,429
Tangible assets	6,205,927	–	–	–	6,205,927
Other receivables	416,318	7,273,007	–	–	7,689,325
Total non-current assets	55,946,674	7,273,007	–	–	63,219,681
Current assets					
Trade and other receivables	5,912,135	(1,020,049)	–	–	4,892,086
Cash and cash equivalents	3,001,420	(6,635,655)	18,127,000	(5,169,374)	9,323,391
Total current assets	8,913,555	(7,655,704)	18,127,000	(5,169,374)	14,215,477
Total assets	64,860,229	(382,697)	18,127,000	(5,169,374)	77,435,158
Current liabilities					
Trade and other payables	(4,710,491)	–	–	–	(4,710,491)
Current tax liabilities	(790,276)	–	–	–	(790,276)
Loans and borrowings	(1,372,629)	(590,729)	–	1,340,729	(622,629)
Total current liabilities	(6,873,396)	(590,729)	–	1,340,729	(6,123,396)
Non-current liabilities					
Loans and borrowings	(12,660,741)	3,546,355	–	3,828,645	(5,285,741)
Deferred tax liability	(538,089)	–	–	–	(538,089)
Provisions	(147,730)	–	–	–	(147,730)
Total non-current liabilities	(13,346,560)	3,546,355	–	3,828,645	(5,971,560)
Total liabilities	(20,219,956)	2,955,626	–	5,169,374	(12,094,956)
Net assets	44,640,273	2,572,929	18,127,000	–	65,340,202

Notes:

1. The financial information of the Group as at 31 December 2019 has been extracted without further adjustment, from Part III, section B of this Document "Accountants' report on the historical financial information of the Group". No account has been taken of the activities of the Group subsequent to 31 December 2019, except for those set out in the notes below.
2. The Corporate Reorganisation, Partner Loan Agreements, Founder Loan Agreements and other adjustments resulted in an increase of £2,572,929 to net assets, as set out in more detail in the table and supporting notes below:

£	a	b	c	d	e	f	g	h	Total
Non-current assets									
Intangible assets	-	-	-	-	-	-	-	-	-
Tangible assets	-	-	-	-	-	-	-	-	-
Other receivables	-	(817,984)	-	(2,501,348)	-	7,088,748	3,863,590	(360,000)	7,273,007
Total non-current assets	-	(817,984)	-	(2,501,348)	-	7,088,748	3,863,590	(360,000)	7,273,007
Current assets									
Trade and other receivables	-	-	-	-	-	-	(1,020,049)	-	(1,020,049)
Cash and cash equivalents	20,106	(32)	(2,309)	(625,505)	-	(3,544,374)	(2,843,541)	360,000	(6,635,655)
Total current assets	20,106	(32)	(2,309)	(625,505)	-	(3,544,374)	(3,863,590)	360,000	(7,655,704)
Total assets	20,106	(818,016)	(2,309)	(3,126,852)	-	3,544,374	-	-	(382,697)
Current liabilities									
Trade and other payables	-	-	-	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-	-	-	-
Loans and borrowings	-	-	-	-	-	(590,729)	-	-	(590,729)
Total current liabilities	-	-	-	-	-	(590,729)	-	-	(590,729)
Non-current liabilities									
Loans and borrowings	-	-	-	-	6,500,000	(2,953,645)	-	-	3,546,355
Deferred tax liability	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	6,500,000	(2,953,645)	-	-	3,546,355
Total liabilities	-	-	-	-	6,500,000	(3,544,374)	-	-	2,955,626
Net assets	20,106	(818,016)	(2,309)	(3,126,852)	6,500,000	-	-	-	2,572,929

- (a) On 11 February 2020, a share issue took place whereby 20,309 class C ordinary shares were issued at a price of £0.99 per share.
 - (b) The Company undertook a buyback of £818,016 of 9 £1.00 class B ordinary shares and 5,300 £0.01 class B ordinary shares, of which £817,984 were non-cash transactions to the Group as the transactions discharged liabilities of the shareholders to Elixirr Consulting Limited;
 - (c) The Company undertook a buyback of £2,309 of 2,332 class C ordinary shares;
 - (d) A reduction in the share premium account of the Company by £3,126,684.48 from £50,019,261.56 to £46,892,577.08 through the cancellation of 168 preference shares with a nominal value of £1.00 each in the capital of the Company (the "Preference Shares");
 - (e) Redesignation of Preference shares treated as a liability to ordinary shares resulting in a reduction in long term liabilities of £6,500,000 and an increase in equity;
 - (f) Loan agreements dated 19 June 2020 and made between (1) the Company and (2) each of the non-Founder Partners and NEDs (the "Partner Loan Agreements") pursuant to which the Company will loan to those non-Founder partners and NEDs of the Group (the "Borrowers") a total of £7,088,748.40 in such proportions as is necessary for each of them to acquire Class B Ordinary Shares from the Founders (the "Partner Loans"). Each of the Partner Loans will not carry interest and their repayment will include payments due to the Borrower from (a) 100 per cent. of after-tax dividends from the Company and (b) 50 per cent. of any after-tax bonuses from Elixirr Consulting and (c) from any after-tax proceeds from the sale by the Borrower of their shares in the Company. Loan agreements dated 19 June 2020 and made between (1) the Company and (2) each of the Founders (the "Founder Loan Agreements") pursuant to which the Founders will loan the Company a total of £3,544,374.20 to part fund the Partner Loans (the "Founder Loans"). The Founder Loans will be for a term of 36 months at an interest rate of 8 per cent. per annum with quarterly repayments on the principal amount and accrued interest;
 - (g) In January 2020, the Company entered into loan agreements with its shareholders to advance them £4,869,054 in order to make a capital contribution to Elixirr Partners LLP. By 30 June 2020, £3,863,590 had been drawn down of which £2,843,541 had been advanced in cash and £1,020,049 had been netted off against amounts due from Elixirr Partners LLP, which were included in the 31 December 2019 balance sheet. A partial repayment of £3,679,332 of the loan balance is included in notes (b), (d) and (h) of note 2; and
 - (h) On 30 June 2020, the Group received £360,000 in cash from its shareholders in repayment of shareholder loans.
3. Placing proceeds were approximately £20,000,000 and associated costs of the Placing were approximately £1,873,000 (excluding VAT). The net proceeds from the Placing received by the Company were approximately £18,127,000.
 4. The net proceeds will be partly applied to pay down the entirety of the indebtedness outstanding to Coutts Bank of £1,625,000 as at 31 December 2019 (of which £750,000 was included in current liabilities and £875,000 was included in non-current liabilities) and to repay the Founder Loans of £3,544,374 (of which £590,729 was included in current liabilities and £2,953,645 was included in non-current liabilities, as set out in note 2(f) above).
 5. No account has been taken of any movement in the net assets of the Group since 31 December 2019, nor of any other event save as disclosed above.

PART IV

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered as a private limited company in England and Wales under the Act on 12 August 2018 with the name Elixirr International Limited and with registered number 11723404. On 30 June 2020, the Company was re-registered as a public limited company and changed its name to Elixirr International plc. The Company's legal entity identifier is 213800MKY7OHMVAKW681.
- 1.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 1.3 The head office of the Company is at 100 Cheapside, London EC2V 6DT and the registered office is at 12 Helmet Row, London EC1V 3QJ. The telephone number of the Company is +44 (0) 20 7720 5410 and its website is www.elixirr.com. The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and prospective investors should not rely on them.
- 1.4 Since its incorporation, the Company has not declared, issued or paid a dividend.

2. Corporate Reorganisation

- 2.1 In connection with Admission, the Group undertook a number of steps to reorganise its share capital. The Corporate Reorganisation steps comprised:
 - (a) a reduction in the share premium account of the Company by £3,126,684.48 from £50,019,261.56 to £46,892,577.08 through the cancellation of 168 preference shares with a nominal value of £1.00 each in the capital of the Company (the "**Preference Shares**");
 - (b) the subdivision of each Preference Share to Preference Shares with nominal value of £0.01 each (the "**New Preference Shares**");
 - (c) the amendment of the articles of association of the Company to introduce a definition of deferred shares and to set out the rights and restrictions associated with such shares;
 - (d) the redesignation of 83,200 New Preference Shares to (i) 25,026 class B ordinary shares with a nominal value of £0.01 each in the capital of the Company (the "**Class B Ordinary Shares**") and (ii) 58,174 deferred shares with a nominal value of £0.01 each in the capital of the Company (the "**Deferred Shares**");
 - (e) the redesignation of 3,119 class B founder ordinary shares with a nominal value of £0.01 each (the "**Class B Founder Shares**") to Class B Ordinary Shares on the basis of one Class B Founder Share to one Class B Ordinary Share;
 - (f) the redesignation of 20,740 class C ordinary shares with a nominal value of £0.01 each (the "**Class C Ordinary Shares**") in to (i) 235 Class B Ordinary Shares and (ii) 20,505 Deferred Shares;
 - (g) the subdivision of 1,000 class A ordinary shares with nominal value of £1.00 each to 100,000 class A ordinary shares with nominal value of £0.01 each (the "**Class A Ordinary Shares**");
 - (h) the redesignation of the Class A Ordinary Shares to (i) 27,745 Class B Ordinary Shares and (ii) 72,255 Deferred Shares;
 - (i) the subdivision of each Class B Founder Share to class B founder shares with nominal value of 0.005 pence each (the "**New Class B Founder Shares**");
 - (j) the subdivision of each Class B Ordinary Share to class B ordinary shares with nominal value of 0.005 pence each (the "**New Class B Shares**");

- (k) the adoption of new interim articles of association of the Company to reflect the Company's re-registration as a public limited company, its name change to Elixirr International plc and to provide for Ordinary Shares, and redeemable preference shares, with a nominal value of £1.00 each in the capital of the Company (the "**Redeemable Preference Shares**");
 - (l) the issue of one Redeemable Preference Share to fund the repurchase of 150,934 Deferred Shares and a further 50,000 Redeemable Preference Shares;
 - (m) the repurchase of 150,934 Deferred Shares by the Company for an aggregate consideration of £1.00, to be satisfied in full through the allotment of one Redeemable Preference Share (referred to above);
 - (n) the redesignation of each New Class B Founder Share to Ordinary Shares on the basis of one New Class B Founder Share to one Ordinary Share;
 - (o) the redesignation of each New Class B Share to Ordinary Shares on the basis of one New Class B Ordinary Share to one Ordinary Share; and
 - (p) the adoption of the Articles with effect from Admission.
- 2.2 The Corporate Reorganisation did not affect the Group's operations, which continue, post-Admission, to be carried out through the Company's operating subsidiaries.

3. Share capital and loan capital

- 3.1 As at 12 December 2018, being the date the Company was incorporated, the issued share capital of the Company, all of which was fully paid up, was as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Ordinary Shares of £1.00 each	1	£1
Total	1	£1

- 3.2 On 15 July 2019, being the date that the Company acquired the entire issued share capital of Elixirr Consulting Limited, (i) the ordinary shares of £1.00 each in the capital of the Company were redesignated as Class A Ordinary Shares and (ii) 999 Class A Ordinary Shares, 1,350 class B ordinary shares of £1.00 each (the "**Original Class B Ordinary Shares**") and 1,000 Preferences Shares were issued in accordance with the articles of association adopted at that time.
- 3.3 On the 30 September 2019, the Company bought back and cancelled 5 Original Class B Ordinary Shares.
- 3.4 On 7 October 2019, the Company bought back and cancelled 9 Original Class B Ordinary Shares.
- 3.5 On 26 November 2019, the Company bought back and cancelled 5 Original Class B Ordinary Shares.
- 3.6 On 28 January 2020, the Company bought back and cancelled 9 Original Class B Ordinary Shares.
- 3.7 On 31 January 2020, the Company sub-divided each Original Class B Ordinary Shares of £1.00 each into Class B Ordinary Shares and redesignated 102,500 Class B Ordinary Shares into 102,500 Class B Founder Ordinary Shares, all of which were fully paid up.
- 3.8 On 11 February 2020, the Company issued 20,309 Class C Ordinary Shares.
- 3.9 On 29 April 2020, the Company bought back and cancelled 1,200 B Ordinary Shares.
- 3.10 On 30 April, the Company bought back and cancelled 1,500 B Ordinary Shares.
- 3.11 On 27 May 2020, the Company bought back and cancelled 2,600 Class B Ordinary Shares and 2,332 Class C Ordinary Shares.

- 3.12 As at 31 December 2019, being the latest date to which audited accounts for the Company have been prepared, the issued share capital of the Company, all of which was fully paid up, was as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Class A Ordinary Shares of £1.00 each	1,000	£1,000
Class B Ordinary Shares of £1.00 each	1,331	£1,331
Preference Shares of £1.00 each	1,000	£1,000
Total	3,331	£3,331

- 3.13 The issued share capital of the Company, all of which is fully paid up, as at the date of publication of this document is as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Ordinary Shares of 0.005 pence each	35,981,200	£1,799.06
Redeemable Preferences Shares of £1.00 each	50,001	£50,001
Total	36,031,201	51,800.06

- 3.14 The issued share capital of the Company, all of which will be fully paid up on or before Admission, as it is expected to be immediately following Admission is as follows:

<i>Class of share</i>	<i>Number</i>	<i>Issued Amount</i>
Ordinary Shares of 0.005 pence each	45,197,790	£2,259.89
Redeemable Preferences Shares of £1.00 each	50,001	£50,001
Total	45,247,791	52,260.89

- 3.15 Details of the total number of options granted under the EMI Scheme outstanding as at 3 July 2020 (being the latest practicable date prior to the publication of this document) are as follows:

<i>Date of grant²</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price per Ordinary Share (p)</i>
8 May 2020	109,600 ¹	43.365
8 May 2020	5,551,400	43.365
5 June 2020	42,000	43.365
24 June 2020	26,000	43.365
Total	5,729,000	

¹ These options are exercisable from the fourth anniversary of the Admission date.

² All of the options granted have different exercise periods; however, in respect of all options, they will be capable of exercise between the fourth anniversary and the sixth anniversary of the Admission date.

- 3.16 Application will be made for the Ordinary Shares to be admitted to trading on AIM. The Ordinary Shares are not listed or traded on, and no application has been or is being made, for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.
- 3.17 Pursuant to the Act, with effect from 1 October 2009, the concept of authorised share capital was abolished and accordingly there is no limit on the maximum amount of shares that may be allotted by the Company.

3.18 Pursuant to an ordinary resolution of the Company dated 3 July 2020, the Directors are generally and unconditionally authorised pursuant to section 551 of the Act to allot shares and grant rights to subscribe for or to convert any security into shares (such shares and rights to subscribe for or to convert any security into shares being “**relevant securities**”) up to an aggregate nominal amount of £1,214.13, such authority to be limited to the allotment of:

- (a) 9,216,590 Ordinary Shares pursuant to the Placing; and
- (b) relevant securities other than pursuant to sub-paragraph (a) above, having an aggregate nominal value equal to £753.30,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 15 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of relevant securities after the expiry of such period.

3.19 Pursuant to a special resolution of the Company dated 3 July 2020, the Directors are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by paragraph 3.18 above, and/or by way of a sale of treasury shares by virtue of section 573 of the Act, as if the provisions of section 561 of the Act did not apply to such allotment provided that this power is limited to:

- (a) the allotment of equity securities which fall within sub-paragraph (a) of paragraph 3.18 above;
- (b) the allotment of equity securities in connection with an invitation or offer of equity securities to the Shareholders (excluding any shares held by the Company as treasury shares (as defined in section 724(5) of the Act)) in proportion (as nearly as practicable) to their respective holdings of shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal, regulatory or practical problems arising under the laws of or the requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever); and
- (c) in the case of the authority granted under paragraph 3.18(b) and/or in the case of any sale of treasury shares for cash, the allotment (other than pursuant to the power referred to in sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal value equal to £225.99,

such authority to expire upon the earlier of the conclusion of the next Annual General Meeting of the Company and the date which is 15 months from the date of passing of the resolution, except that the Directors can during such period make offers or arrangements which could or might require the allotment of equity securities after the expiry of such period.

3.20 The provisions of section 561 of the Act (to the extent not disapplied pursuant to section 570 of the Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash and apply to the authorised but unissued equity share capital of the Company. These provisions have been disapplied to the extent referred to in paragraph 3.19 above.

3.21 Save as set out in this paragraph 3:

- (a) no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
- (c) there are no outstanding convertible securities issued by the Company; and
- (d) no share capital or loan capital of the Company or any of its subsidiaries (other than intra-group issues by wholly-owned subsidiaries) is in issue and no such issue is proposed.

- 3.22 None of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission.
- 3.23 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.
- 3.24 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by. The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00BLPHTX84.
- 3.25 The Placing Price of 217 pence per Ordinary Share represents a premium of 216.995 pence over the nominal value of 0.005 pence per Ordinary Share and is payable in full on Admission under the terms of the Placing.
- 3.26 The net asset value of an existing Ordinary Share as at 31 December 2019, prior to the issue of the Placing Shares, is £1.24 (the “**Net Asset Value Per Share**”).
- 3.27 The Placing Price of 217 pence per Ordinary Share represents a premium of 93 pence over the Net Asset Value Per Share.

4. Subsidiary undertakings

The Company is the holding company of the Group.

The Company currently has the following significant subsidiaries:

<i>Name</i>	<i>Registration number</i>	<i>Status</i>	<i>Place of incorporation</i>	<i>Percentage of voting share capital held</i>
Elixirr Consulting Limited	11723371	Trading	England & Wales	100%
Elixirr, LLC	5715221	Trading	Delaware, USA	100% (owned by Elixirr Consulting Limited)
Elixirr Consulting Services Limited	07671583	Trading	England & Wales	100% (owned by Elixirr Consulting Limited)
Elixirr Consulting Services (South Africa) Limited	07966205	Trading	England & Wales	100% (owned by Elixirr Consulting Limited)
Elixirr Services Limited	11310669	Dormant	England & Wales	100% (owned by Elixirr Consulting Limited)
Elixirr Consulting AI Limited	10517499	Dormant	England & Wales	100% (owned by Elixirr Consulting Limited)
Elixirr Creative Limited	10969804	Trading	England & Wales	100% (owned by Elixirr Consulting Limited)
Den Creative Limited	07113885	Trading	England & Wales	100% (owned by Elixirr Creative Limited)

5. Summary of the Articles of Association of the Company

The Articles, which were adopted conditional on Admission by a special resolution of the Company passed on 3 July 2020, contain, *inter alia*, provisions to the following effect:

(a) **Objects**

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles.

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

(i) *Voting rights*

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

(ii) *Dividends*

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

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

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

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

The Board may, with the prior authority of an ordinary resolution of the Company and provided the Company has sufficient authorised but unissued share capital and undistributed profits or reserves to give effect to it, offer the holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid in whole or in part instead of cash in respect of the whole or some part of any dividend specified in the resolution.

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

(iii) *Return of capital*

On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares or the liquidator may, with the sanction of a special resolution of the Company (and any other sanction required by law), divide amongst the members in specie the whole or any part of the assets of the Company in such manner as shall be determined by the liquidator.

(c) **Transfer of shares**

Save in the case of shares which have become participating securities for the purposes of the CREST Regulations, title to which may be transferred by means of a relevant system such as CREST without a written instrument, all transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

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

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

The Board shall register a transfer of title to any uncertificated share, except the Board may refuse (subject to any relevant requirements of the London Stock Exchange) to register the transfer of an uncertificated share which is in favour of more than four persons jointly or in any other circumstances permitted by the CREST Regulations.

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

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

The provisions of rule 5 of the DTRs govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. *Inter alia*, this requires a person who is interested in 3 per cent. or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent. or more). In addition, the City Code contains further provisions pursuant to which a person may be required to disclose his interests in the share capital of the Company.

Pursuant to the Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "**default shares**") to give the Company the information thereby required within the prescribed period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may, at least 14 days after service of the notice, serve on the holder of such default shares a notice ("**disenfranchisement notice**") pursuant to which the following sanctions shall apply:

- (i) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) where the default shares represent at least 0.25 per cent. in nominal value of their class:
 - (A) any dividend or other money payable in respect of the default shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
 - (B) subject, in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
 - the member is not himself in default as regards supplying the information required; and
 - the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

(e) **Purchase of own shares**

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

(f) **Variation of rights**

Subject to the provisions of the Act and of the Articles, if at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any share or class of share in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held as provided in the Articles (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation.

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

(g) **General meetings**

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine. The Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members in accordance with the Act.

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- in the case of an annual general meeting, at least 21 clear days; and
- in any other case, at least 14 clear days.

The accidental omission to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person(s) entitled to receive the

same shall not invalidate the proceeding at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

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

With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as he shall determine. The chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

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

(h) **Board authorisation of conflicts**

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

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

(i) **Directors' interests**

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

- (i) may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (ii) may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;
- (iii) may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (iv) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit.

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

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

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing 1 per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors;
- (vii) the funding of expenditure by one or more Directors in defending proceedings against him or them or doing anything to enable such Directors to avoid incurring such expenditure provided that such funding is consistent with, or no more beneficial to him or them than the provisions of the Articles and is permitted pursuant to the provisions of the relevant legislation; or
- (viii) the giving of an indemnity or indemnities in favour of one or more Directors which is/are consistent with, or no more beneficial to him or them than any such indemnities provided pursuant to the Articles (and provided such indemnities are permitted pursuant to the relevant legislation).

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

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

(k) ***Directors***

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £500,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (save where any Director has held office for less than the whole of the relevant period in respect of which the fees are paid). Any fees payable pursuant to this paragraph shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to the Articles and shall accrue from day to day.

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

(l) ***Pensions and benefits***

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

(m) ***Indemnification of Directors***

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

(n) ***Borrowing powers***

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

The aggregate principal amount at any one time outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company, exceed the greater of £10 million and an amount equal to three times the aggregate of:

- (i) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
- (ii) the amount outstanding to the credit of the capital and revenue reserves of the Company and its subsidiaries, whether or not distributable (including any share premium account, capital redemption reserve fund or revaluation reserve and credit or debit balance on any other reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the income statement of the Company and its subsidiaries,

all as shown in the relevant balance sheet of the Company and its subsidiaries but after any adjustments, exclusions and deductions as set out in the Articles.

6. Directors and employees

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

6.2 The business address of the Directors is 12 Helmet Row, London EC1V 3QJ.

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

<i>Name</i>	<i>Date of birth</i>	<i>Commencement date in office</i>
Gavin Patterson	6 September 1967	1 November 2019
Stephen Newton	28 June 1970	12 December 2018
Graham Busby	12 August 1982	1 July 2020
Ian Ferguson	11 September 1959	12 December 2018
Charlotte Stranner	22 September 1979	Admission
Simon Retter	13 February 1982	Admission

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

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Gavin Patterson	British Airways plc Fractal Analytics UK Ltd Gamma Infrastructure III B.V. So Purple Group Limited Tario Partners LLP Tario Partners Member Ltd Tario Ventures Ltd Tappit Technologies (UK) Ltd	BT Group plc The British Museum Friends
Stephen Newton	Aviation E LLP Studio 888 Limited Theo Studios Limited	Medius Consulting Limited
Graham Busby	None	None
Ian Ferguson	Collaboration Platform Services Limited Miri Consultancy Services Limited Studio 888 Limited Zeninsys Limited	Unified Collaboration Limited
Charlotte Stranner	Aggregated Telecom Limited Connexions4London Limited IDE Group Limited IDE Group Connect Limited IDE Group Financing Limited IDE Group Manage Limited IDE Group Protect Limited IDE Group Subholdings Limited IDE Group Voice Limited Selection Services Limited Selection Services Investments Limited	MXC Advisory Limited MXC Capital (UK) Limited MXC Capital Markets LLP PTCA Tech Solutions Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Simon Retter	CTFR Holdings Ltd Eastinco Mining and Exploration plc Fragrant Prosperity Holdings Ltd HM Brazil (IOM) Ltd Horizonte Minerals (IOM) Ltd HRC World plc I-Med Aesthetics Ltd Oplon Ltd Stonedale Management and Investments Ltd SulNOx Fuel Fusions Ltd SulNOx Group plc Tipton Ltd Vertu Capital Ltd Vertu Capital Holdings Ltd Zaim Credit Systems plc	African Rock Resources Ltd Amasya Resources Ltd Botle Diamonds pty Ltd Gemstones of Africa Limited I-Med Animal Healthcare Limited I-Med Emotion Beauty products Limited I-Med Group International Ltd I-Med Medical Therapy System Ltd I-Med Treasury Ltd International Diamond Consultants Ltd. Lan Group plc Mamo Jos Limited MDMS Online Limited Meso Diamonds Pty Ltd Mindex Invest Limited Obtala Ltd Obtala Services Limited Paragon Diamonds Ltd Paragon Diamonds Mauritius Ltd Sierra Leone Hard Rock Ltd Skinside UK Ltd TriSkin Ltd Upham Holdings plc Uragold Ltd Vale International Group Ltd

6.5 Save as disclosed in paragraph 6.6 below, at the date of this document none of the Directors named in this document:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or has entered into an individual voluntary arrangement;
- (c) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (d) was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (e) has had his assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or
- (f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6.6 Simon Retter is a director, shareholder and indirectly the single largest creditor of I-Med Group International Limited which was placed into a creditors' voluntary liquidation on 30 June 2020 and the amount owing to creditors was estimated at £150,000.

- 6.7 Details of the number of the Group's employees, excluding the Partners, for each of the two financial years of Elixirr LLP Group ended 30 April 2017 and 30 April 2018 and the 12 month period ended 31 December 2019 for the Group are as follows:

<i>Period</i>	<i>Average number of employees</i>
Financial year ended 30 April 2017 for the Elixirr LLP Group	64
Financial year ended 30 April 2018 for the Elixirr LLP Group	93
12 month period ended 31 December 2019 for the Group	107

- 6.8 As at 31 December 2019, the employees of the Elixirr LLP Group and the Group, excluding Partners, were employed as follows:

Management	7
Principal	13
Manager	15
Consultant	27
Analyst	25
Creative	14
Total	101

7. Directors' and other interests

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

<i>Director</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
Gavin Patterson	801,400	2.2	801,400	1.8
Stephen Newton	16,708,200	46.4	14,944,543	33.1
Graham Busby	1,930,000	5.4	1,726,276	3.8
Ian Ferguson	3,190,400	8.9	2,853,633	6.3
Charlotte Stranner	496,200	1.4	496,200	1.1
Simon Retter	496,200	1.4	496,200	1.1

- 7.2 Details of the total number of options granted to the Directors under the EMI Scheme outstanding as at 3 July 2020 (being the latest practicable date prior to the publication of this document) are as follows:

<i>Name</i>	<i>Date of grant</i>	<i>Exercise price per Ordinary Share (p)</i>	<i>Number of Ordinary Shares under Option</i>	<i>Exercise period</i>
Ian Ferguson	4 May 2020	43.365	15,600	four years from Admission
Graham Busby	4 May 2020	43.365	94,000	four years from Admission

- 7.3 Save as disclosed above, none of the Directors nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.

- 7.4 In addition to the interests of the Directors set out in paragraphs 7.1 to 7.2 above, as at the date of this document, insofar as is known to the Company, the following persons are, or will at Admission be, interested in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
Andrew Curtis	1,746,600	4.9	1,746,600	3.9
Mark Goodyear	1,652,600	4.6	1,652,600	3.7
Barry Lewis	1,178,200	3.3	1,178,200	2.6
Josephina Riley	1,117,800	3.1	1,117,800	2.5
Slater Investments Limited	0	0	3,963,133	8.8
Chelverton Asset Management Limited	0	0	1,970,046	4.4
Gresham House Asset Management Limited	0	0	1,658,986	3.7

- 7.5 Save as disclosed above, there are no persons, so far as the Company is aware, who are or will be immediately following Admission interested in 3 per cent. or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 7.6 The interests of the Concert Party (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
Stephen Newton	16,708,200	46.4	14,944,543	33.1
Ian Ferguson	3,190,400	8.9	2,853,633	6.3
Graham Busby	1,930,000	5.4	1,726,276	3.8
Andrew Curtis	1,746,600	4.9	1,746,600	3.9
Mark Goodyear	1,652,600	4.6	1,652,600	3.7

- 7.7 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.
- 7.8 Save in respect of the Redeemable Preference Shares which carry no voting rights, the Company's share capital consists of one class of ordinary shares with equal voting rights (subject to the Articles). No major Shareholder of the Company has any different voting rights from the other Shareholders.
- 7.9 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company or the Group during the current or immediately preceding financial year or which were effected during any earlier financial year and remain in any respect outstanding or unperformed.
- 7.10 Save in respect of the Partner Loans to each of Gavin Patterson, Simon Retter and Charlotte Stranner as disclosed in paragraph 11(i) of this Part IV below, there are no outstanding loans or guarantees provided by the Company or the Group to or for the benefit of any of the Directors.
- 7.11 Save as disclosed in paragraph 19 of Section A Part III and paragraph 22 of Section B Part III of this document, there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002 that the Elixirr LLP Group or the Group has entered into since 1 May 2016.

- 7.12 There are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties they may have.
- 7.13 No Director nor any member of his immediate family nor any person connected with them (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

8. Directors' remuneration and service agreements

- 8.1 Stephen Newton is employed as Chief Executive Officer pursuant to the terms of a service agreement with Elixirr Consulting Limited dated 1 July 2020. The agreement is terminable by either party on not less than 6 months' written notice. Mr Newton is paid a basic annual salary of £250,000 and is entitled to participate in the Elixirr Consulting Limited discretionary bonus scheme. His basic salary is subject to annual review by the Remuneration Committee. In addition, he is entitled to membership of the Group permanent health insurance (PHI), private medical, life assurance and critical illness cover schemes and receives a contribution of 3 per cent. of his basic salary to the Elix-irr Group Pension Plan. Mr Newton is subject to certain non-competition and non-solicitation covenants for a period of 9 months' following the termination of his employment. The agreement is governed by English law.
- 8.2 Graham Busby is employed as Chief Financial Officer pursuant to the terms of a service agreement with Elixirr Consulting Limited dated 1 July 2020. The agreement is terminable by either party on not less than three months' written notice. Mr Busby is paid a basic annual salary of £220,000 and is entitled to participate in the Elixirr Consulting Limited discretionary bonus scheme. His basic salary is subject to annual review by the Remuneration Committee. In addition, he is entitled to membership of the Group permanent health insurance (PHI), private medical, life assurance and critical illness cover schemes and receives a contribution of 3 per cent. of his basic salary to the Elix-irr Group Pension Plan. Mr Busby is subject to certain non-competition and non-solicitation covenants for a period of 9 months' following the termination of his employment. The agreement is governed by English law.
- 8.3 Ian Ferguson is employed as Executive Director and General Counsel pursuant to the terms of a service agreement with Elixirr Consulting Limited dated 1 July 2020. The agreement is terminable by either party on not less than three months' written notice. Mr Ferguson is paid a basic annual salary of £144,000 and is entitled to participate in the Elixirr Consulting Limited discretionary bonus scheme. His basic salary is subject to annual review by the Remuneration Committee. In addition, he is entitled to membership of the Group permanent health insurance (PHI), private medical, life assurance and critical illness cover schemes. Mr Ferguson is subject to certain non-competition and non-solicitation covenants for a period of 9 months' following the termination of his employment. The agreement is governed by English law.
- 8.4 Pursuant to the terms of a letter of engagement with the Company dated 3 July 2020, Charlotte Stranner has agreed to serve as a Non-Executive Director for an annual fee of £40,000. This appointment is terminable by either party on not less than three months' written notice but will terminate automatically if Ms Stranner is removed from office by a resolution of the Shareholders or is not re-elected to office.
- 8.5 Pursuant to the terms of a letter of engagement with the Company dated 3 July 2020, Simon Retter has agreed to serve as a Non-Executive Director for an annual fee of £40,000. This appointment is terminable by either party on not less than three months' written notice but will terminate automatically if Mr Retter is removed from office by a resolution of the Shareholders or is not re-elected to office.
- 8.6 Pursuant to the terms of a letter of engagement with the Company dated 3 July 2020, Gavin Patterson has agreed to serve as a Non-Executive Chairman for an annual fee of £50,000. This appointment is terminable by either party on not less than three months' written notice but will terminate automatically if Mr Patterson is removed from office by a resolution of the Shareholders or is not re-elected to office.
- 8.7 Pursuant to the terms of a consultancy agreement with the Elixirr Consulting Limited dated 1 July 2020, Gavin Patterson has agreed to provide certain consultancy services to the Group for an annual fee of £25,000.
- 8.8 Save as disclosed in this document there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company or the Group.

- 8.9 In the financial year ended 31 December 2019 (being the last completed financial year of the Company) the aggregate remuneration paid, including pension contributions and benefits in kind granted to the Directors, was £339,299.
- 8.10 On the basis of the arrangements in force at the date of this document it is estimated that the aggregate remuneration payable including pension contributions and benefits in kind granted to the Directors for the year ending 31 December 2020 (being the current financial year of the Company) will be £628,984.

9. Employee Share Schemes

9.1 *Introduction*

The Directors believe that employee share ownership will continue to form a vital part of the culture and incentives structure of the business. The Company has adopted the EMI Scheme which it intends to operate after Admission. In addition, Ordinary Shares beneficially held by all employees of the Group at the date of Admission are held under Nominee Agreements with the Trustee under which the Trustee holds the legal title to the Existing Ordinary Shares as nominee for the employee, under the terms of those Nominee Agreements. The principal features of these plans are summarised below.

9.2 *Nominee Agreements.*

Ordinary Shares beneficially held by certain employees of the Group at the date of Admission are held under nominee agreements with the Trustee, under the terms of the Nominee Agreements. The principal terms of the Nominee Agreements are:

- (i) that no Ordinary Shares may be sold or disposed of in the Lock-in Period, save for any agreed sale as may reasonably be required and notified by the broker to the Board to meet demand; and
- (ii) following the Lock-in Period, employees may only sell or transfer a proportion of their shareholdings once each year, during a Final Results Period (as defined in the Nominee Agreements) (each, a “**Release Occasion**”), in an amount not to exceed 20 per cent. of the Ordinary Shares (or such lower or higher amount as the Board may determine for both the relevant employee and all other employees whose shareholdings are held subject to the terms of the Nominee Agreements) held under the relevant Nominee Agreement as at the date of Admission. If an employee ceases to be a director or employee of a Group Company, they will forfeit their Ordinary Shares and will receive an amount which will depend upon the reason for their cessation, save for, where the Board has deemed an employee to be a Designated Leaver (as defined under the terms of the Nominee Agreements), the Board may determine, in its discretion, an alternative period or periods in which the Shares will be forfeited

As a condition of participation in the EMI Scheme, the Remuneration Committee may determine that, as a condition of vesting or exercise, the resultant Shares, net of any Shares that are sold to cover any tax, may need to be held under a similar Nominee Agreement.

9.3 *EMI Scheme*

The following is a summary of the rules of the EMI Scheme:

(a) *Eligibility*

All employees and executive directors of the Group are eligible to participate at the discretion of the Remuneration Committee providing that they work for the Group for at least 25 hours a week, or, if less, 75 per cent. of their overall working time.

(b) *Grant of options*

Options may be granted by the Remuneration Committee normally during a period of 42 days starting on the announcement to the London Stock Exchange of the Company's interim or final results. In circumstances deemed exceptional by the Remuneration Committee, options may be granted outside the normal period. Options may not be granted more than 10 years after the date of adoption of the EMI Scheme. £1.00 consideration is payable for the grant of

an option. Options granted under the EMI Scheme are personal to a participant and, except on his death, may not be transferred, assigned or charged.

When granting options the Remuneration Committee may specify objective performance targets to be satisfied before those options can be exercised.

(c) *Exercise price*

The price at which participants in the EMI Scheme may acquire Ordinary Shares shall not be less than the nominal value of an Ordinary Share. In any event, the exercise price payable by participants in the EMI Scheme is expected to be equal to the actual market value of an Ordinary Share at the time an option is granted. The market value is set in accordance with the basis agreed with HMRC Shares and Assets Valuation and will normally be taken as the price for an Ordinary Share at close of business on the business day ending immediately prior to the date of the grant.

(d) *Individual limits*

No option may be granted to a participant which would result in the aggregate unrestricted market value of Ordinary Shares (as measured at the date of grant) comprised in options (which remain unexercised, and have not lapsed or been cancelled or surrendered) granted to him under the EMI Scheme and any other equivalent Schedule 4 company share option plan of the Company or any associated company exceeding £249,999.

(e) *Dilution limits*

The EMI Scheme is subject to the limit that the number of Ordinary Shares which may be issued or issuable pursuant to rights granted in any 10 year period under the EMI Scheme and under any other employees' share plan adopted by the Company may not exceed 15 per cent. of the issued ordinary share capital of the Company from time to time.

Treasury shares will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise.

This limit may be varied by the Remuneration Committee to take into account any variation in the Company's share capital from time to time.

Ordinary Shares issued to satisfy awards made before Admission will not count towards this limit.

(f) *Timing of operation*

After Admission, grants under the EMI Scheme will normally only be made within six weeks of the announcement of results or in exceptional circumstances. No awards can be made under the EMI Scheme after the tenth anniversary of their adoption by the Company.

(g) *Exercise, lapse and exchange of options*

Options may normally be exercised in whole or in part during such period as the Remuneration Committee may determine at the time of grant. In relation to subsisting options at the date of Admission, the exercise period is between either the fourth, fifth or sixth anniversary of the Admission (as specified in the respective option agreements) and the tenth anniversary of their grant provided any performance targets specified at the date of grant have been achieved. Options may be satisfied by the issue of Ordinary Shares or the transfer of existing Ordinary Shares.

Options will normally lapse on cessation of employment where the option holder is considered to be an Other Leaver (as defined in the EMI Scheme). However, exercise is permitted following cessation of employment where the option holder is considered to be a Designated Leaver (as defined in the EMI Scheme) which includes such reasons as redundancy, permanent or serious physical or mental ill-health, and at the discretion of the Remuneration Committee.

In the event of an amalgamation, takeover or winding up of the Company, options may be exercised within certain time limits. There are also provisions for the exchange of options in specified circumstances. Options immediately lapse on the tenth anniversary of the date of grant and in the event of the participant's bankruptcy.

(h) *Limits on the issue of shares*

The maximum number of Ordinary Shares in respect of which options may be granted under the EMI Scheme and any other share incentive arrangement operated by the Company shall not exceed 15 per cent. of the Company's issued share capital in any ten year period.

Options or other rights to acquire Ordinary Shares which lapse or have been released or were granted prior to Admission, and options which are satisfied with Ordinary Shares purchased on the market by the trustees of the Employee Benefit Trust, do not count towards this limit.

(i) *Adjustments*

The number of shares comprised in an option and/or exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction or consolidation of the Company's share capital occurs, provided the legislative requirements are met.

(j) *Rights attaching to shares*

All Ordinary Shares allotted under the EMI Scheme will rank *pari passu* with all other Ordinary Shares for the time being in issue, save as regards any rights arising by reference to a record date prior to the date of allotment. Application will be made for permission for any such Ordinary Shares to be admitted to trading on AIM.

(k) *Amendments*

The Remuneration Committee may at any time amend the EMI Scheme provided that the prior approval of the Company in general meeting is obtained for amendments to the material advantage of participants relating to eligibility, share capital and individual limits and the variation or adjustment of options. However, such prior approval will not be required in relation to any amendment which is made to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable taxation treatment of any participating company or any participant.

(l) *Income tax and national insurance*

The participant indemnifies the Company for any income tax liability and primary class 1 (employee) national insurance liability (and any similar liabilities in other jurisdictions) which arises on the grant to him or exercise by him of an option. In addition, participants will also be required to cover any employers' national insurance contributions which will arise for the Company on gains made on the exercise of options unless the Remuneration Committee determines and notifies the participants otherwise.

(m) *Overseas plans*

The EMI Scheme contains a schedule dealing with grants of options to US resident employees (the "**US Sub-Plan**"). The Remuneration Committee may establish such sub-plans or schedules to the EMI Scheme, modified to take account of local tax, exchange controls or securities laws if it is required or if it is beneficial to do so in any overseas jurisdiction, provided that any Ordinary Shares made available under such plans are treated as counting against the limits on individual and overall participation in the EMI Scheme (which is the case for the US Sub-Plan).

(n) *Other provisions*

The EMI Scheme will terminate on the tenth anniversary of the date of adoption or earlier if determined by the Remuneration Committee. The termination of the EMI Scheme will not affect outstanding options granted under them.

Benefits provided under the EMI Scheme are not pensionable and may not be transferred (other than on death).

Participants will not have dividend or voting rights in respect of Ordinary Shares under options until such Ordinary Shares have been issued or transferred to them.

In the event of a variation in the share capital of the Company, a demerger and/or a special dividend, the Remuneration Committee may adjust awards under the EMI Scheme as they consider appropriate.

All Shares issued or transferred under the EMI Scheme will rank equally with all other Ordinary Shares for the time being in issue (save as regards any rights attaching to such Ordinary Shares by reference to a record date prior to the date of issue or transfer to the participant).

9.4 **Employee Benefit Trust**

The Employee Benefit Trust is constituted by a trust deed entered into by the Company and the Trustee.

Awards under the EMI Scheme may be satisfied by new Ordinary Shares, Ordinary Shares purchased in the market or by the transfer of treasury Ordinary Shares. The Company has established the Employee Benefit Trust which can be used for the purpose of providing benefits to employees, including engaging with the Company as necessary to satisfy awards under the EMI Scheme through the provision of Ordinary Shares. The Employee Benefit Trust can either subscribe for these Ordinary Shares or, to the extent that funds are provided by Group companies, purchase Ordinary Shares in the open market. In line with best practice for employee benefit trusts, any Ordinary Shares for which the Trust subscribes will be counted towards the applicable dilution limits and at no time will the Trust hold shares representing more than 5 per cent. of the Company's then-issued share capital (save that for this purpose, any Shares in respect of which the beneficial interest has vested in any beneficiary and/or Shares held pursuant to a Nominee Agreement, as described in paragraph 9.2 of this Part IV, shall be left out of account).

10. **Taxation**

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

10.1 **Tax treatment of UK investors**

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

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

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

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends

paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

10.2 **Dividends**

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

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

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

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

10.3 **Disposals of Ordinary Shares**

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

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

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent. falling to 17 per cent. after 1 April 2020. But in the Budget on 11 March 2020 it was announced that the rate would remain at 19 per cent., after 1 April 2020.

10.4 **Further information for Shareholders subject to UK income tax and capital gains tax**

Transactions in securities

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

10.5 **Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

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

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

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

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

- (b) AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986).

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

Any transfer of Sale Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or SDRT.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

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

11. Material contracts

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

The Placing and Admission

(a) *Placing Agreement*

A placing agreement dated 6 July 2020 and made between (1) the Company (2) finnCap (3) the Selling Shareholders and (4) the Directors pursuant to which finnCap has agreed, subject to certain conditions, to act as agent for the Company and the Selling Shareholders and to use its reasonable endeavours to procure placees to subscribe for or purchase (as the case may be) the Placing Shares at the Placing Price.

The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 9 July 2020 (or such later date as the Company and finnCap may agree, being not later than 5.00 p.m. on 31 July 2020). The Placing Agreement contains warranties from the Company and the Directors in favour of finnCap in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. It also contains warranties from the Selling Shareholders in favour of finnCap in relation to, amongst other things, title to the Sale Shares. In addition, the Company has agreed to indemnify finnCap in respect of certain liabilities it may incur in respect of the Placing. finnCap has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties or a force majeure event.

(b) *Lock-in and Orderly Market Agreement*

Separate lock-in and orderly market agreements dated 6 July 2020 and made between (1) the Company (2) finnCap and (3) certain Shareholders (together the “**Covenantors**”) pursuant to which each of the Covenantors have undertaken to the Company and finnCap (subject to certain limited exceptions including transfers to family members or to trustees for their benefit, disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company, or otherwise with the prior consent of finnCap and the Company), not to dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into,

or substantially similar to, Ordinary shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission without the prior written consent of finnCap.

Furthermore, each of the Covenantors have also undertaken to the Company and finnCap not to dispose of their Ordinary Shares following the expiry of the Lock-in Period otherwise than through finnCap for such time as it shall remain broker to the Company.

(c) *Nominated Adviser and Broker Agreement*

A nominated adviser and broker agreement dated 6 July 2020 and made between (1) the Company and (2) finnCap pursuant to which the Company has appointed finnCap to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay finnCap a fee of £75,000 plus VAT per annum for its services as nominated adviser and broker under this agreement. The agreement contains certain undertakings, warranties and indemnities given by the Company to finnCap. The agreement is for a fixed term of 12 months and thereafter is terminable upon not less than three months' prior written notice by either the Company or finnCap.

(d) *Relationship Agreement*

A relationship agreement dated 6 July 2020 and made between (1) the Company (2) finnCap and (3) Stephen Newton to regulate the relationship between the Company and Stephen Newton after Admission. The Relationship Agreement, which provides for the autonomous operation of the Company by the Board independently of Stephen Newton, will take effect on Admission and will be binding on Stephen Newton until he ceases, directly or indirectly, for a period in excess of 12 consecutive months, to exercise control over at least 20 per cent. of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the Relationship Agreement, Stephen Newton also undertakes, amongst other things, that he will (and, in relation to his associates, will procure that each of his associates will): (i) conduct all transactions, agreements, relationships and arrangements with the Group on an arm's length basis and on normal commercial terms; and (ii) exercise his voting rights to procure in so far as he is able that the Company is able to carry on its business having regard to the interests of the Company's shareholders as a whole.

Finance

(e) *Coutts & Co. Loan Agreements*

A £2,000,000 loan (the "**Loan**") was made available to Elixir Consulting pursuant to a loan agreement dated 2 July 2019 between Elixir Consulting and Coutts & Co. (the "**Loan Agreement**"). The Loan was drawn down by Elixir Consulting in a single tranche on 9 July 2019.

The Loan is repayable in quarterly instalments and must be repaid in full by 8 June 2022. Interest is payable quarterly under the Loan Agreement at the rate of 3.25 per cent. over LIBOR.

The Loan is secured by way of a fixed and floating charge over all assets of Elixir Consulting (including book debts) in accordance with the terms of a debenture entered into between Elixir Consulting and Coutts dated 9 August 2019 (the "**Debenture**").

The Company, Elixir Consulting and Elixir LLP entered into a cross guarantee in which they jointly and severally guarantee to discharge their obligations under the Loan Agreement. Each of the Founders gave personal guarantees in relation to 50 per cent. of the Loan (the "**Personal Guarantees**").

Pursuant to an indemnity agreement dated 1 July 2019 between (1) Elixir LLP, (2) Elixir Consulting, (3) the Founders and (4) certain other members of Elixir LLP (being those individuals allocated participation units in connection with the a loan previously provided to Elixir LLP and which has since been repaid) (the "**Indemnifying Members**") (the "**Indemnity Agreement**"), the Indemnifying Members agreed to indemnify the Founders in respect of 50 per cent. in aggregate of any amount paid out under their Personal Guarantees, up to a maximum amount calculated in accordance with the terms of the Indemnity Agreement.

The Loan Agreement includes financial covenants (including in respect of EBITDA and net assets) and information covenants (including requirements to provide monthly and annual accounts and immediate notification of an event of default or any material adverse change in the Group's business or financial condition). The Loan becomes repayable upon the occurrence of standard default events (for example failure to make a repayment within seven days of the date it is due, serious failure to comply with any term of the Loan Agreement and in the case of insolvency/bankruptcy).

General

(f) *Deed of Termination*

A deed of termination dated 30 June 2020 and made between (1) the Company and (2) the shareholders of the Company pursuant to which the Shareholders' Agreement (as defined below) was terminated conditional upon Admission.

(g) *Share Buyback Agreement*

A share buyback agreement dated 22 June 2020 and made between (1) Elixirr International Limited and (2) those shareholders of the Company holding Deferred Shares at the date of the agreement (the "**Vendors**") (the "**Share Buyback Agreement**") regulating the purchase by the Company of 150,934 Deferred Shares in the capital of the Company (the "**Buyback**") for a total consideration of £1.00 to be paid pro-rata between the Vendors (the "**Buyback Amount**"). The Share Buyback Agreement contains standard warranties (each on an indemnity basis) from the Vendors in favour of the Company. The Buyback was approved by the shareholders of the Company on 22 June 2020 and the Deferred Shares were repurchased and cancelled the same day.

(h) *Nominee Agreements*

Nominee agreements dated 2 July 2020 and made between (1) the Company (2) the Trustee and (3) the relevant employees holding Existing Ordinary Shares. Pursuant to the Nominee Agreements, legal ownership of the Existing Ordinary Shares rests with the Trustee whilst the beneficial interest remains with the relevant employee.

The Nominee Agreements set out the terms on which the relevant employees may instruct to sell or transfer the Existing Ordinary Shares during the Lock-in Period and on each Release Occasion. In addition, the Nominee Agreements also set out the terms that shall apply where a relevant employee ceases to be a director or an employee of the Company whilst the Nominee Agreements remain in effect.

(i) *Trust Deed*

A trust deed dated 26 June 2020 and made between (1) the Company and (2) the Trustee. The Trust has been established as a discretionary trust, for the benefit of employees of the Group. Ordinary Shares held in the Trust are intended to be used for the benefit of employees of the Group, including, as applicable, to satisfy certain options to be granted under the EMI Scheme. The Trust is intended to constitute an employee share scheme for the purposes of 1166 of the Act.

The Trust Deed sets out the terms on which the Trustee will hold the Ordinary Shares, the Trustee's powers and the manner in which the Trustee may apply the Trust funds.

(j) *Partner Loan Agreements*

Loan agreements dated 19 June 2020 and made between (1) the Company and (2) each of the non-Founder Partners and NEDs (the "**Partner Loan Agreements**") pursuant to which the Company will loan to those non-Founder partners and NEDs of the Group (the "**Borrowers**") a total of £7,088,748.40 in such proportions as is necessary for each of them to acquire Class B Ordinary Shares from the Founders (the "**Partner Loans**"). Each of the Partner Loans will not carry interest and their repayment will include payments due to the Borrower from (a) 100 per cent. of after-tax dividends from the Company and (b) 50 per cent. of any after-tax bonuses from Elixirr Consulting, and (c) from any proceeds from the sale by the Borrower of their shares in the Company.

(k) *Founder Loan Agreements*

Loan agreements dated 19 June 2020 and made between (1) the Company and (2) each of the Founders (the “**Founder Loan Agreements**”) pursuant to which the Founders will loan the Company a total of £3,544,374.20 to part fund the Partner Loans (the “**Founder Loans**”). The Founder Loans will be for a term of 36 months at an interest rate of 8 per cent. per annum with quarterly repayments on the principal amount and accrued interest.

(l) *Business Purchase Agreement*

A business purchase agreement dated 1 July 2019 and made between (1) Elixirr LLP and (2) Elixirr Consulting dated 1 July 2019 (the “**Business Purchase Agreement**”). Pursuant to the Business Purchase Agreement, Elixirr Consulting acquired the business and assets of Elixirr LLP (the “**Business Transfer**”) in consideration for the issue of a total of 999 A ordinary shares of £1.00 each, 1,350 B ordinary shares of £1.00 each and 1,000 preference shares of £1.00 each, all in the capital of Elixirr Consulting, to the Elixirr LLP partners. As part of the Business Transfer, shares held by Elixirr LLP in certain subsidiaries were transferred to Elixirr Consulting.

(m) *Share Exchange Agreement*

A share exchange agreement dated 15 July 2019 and made between (1) the shareholders of Elixirr Consulting (the “**Elixirr Consulting Shareholders**”), (2) the Company and (3) Elixirr Consulting dated 15 July 2019 (the “**Share Exchange Agreement**”). Pursuant to the Share Exchange Agreement, the Company acquired the entire issued share capital of Elixirr Consulting in consideration for the issue of a total of 999 Class A Ordinary Shares, 1,350 Original Class B Ordinary Shares and 1,000 Preference Shares, all in the capital of the Company, to the Elixirr Consulting shareholders in proportion to their shareholdings in Elixirr Consulting. As a result Elixirr Consulting became a wholly-owned subsidiary of the Company.

(n) *Shareholders Agreement*

A shareholders’ agreement dated 15 July 2019 and made between (1) the Company and (2) certain shareholders of the Company (the “**Shareholders’ Agreement**”). The Shareholders’ Agreement contains provisions typical of an agreement of its nature including provisions governing the decision-making functions of the Company as between its shareholders. The Shareholders’ Agreement will be terminated on Admission.

12. Working capital

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

13. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have or have had during the last 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company and/or the Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

14. Significant change

There has been no significant change in the financial or trading position of the Group, save as disclosed in this document, since 31 December 2019, being the end of the period to which the latest audited consolidated accounts of the Group relate.

15. Consents

15.1 finnCap Ltd of 1 Bartholomew Close, London EC1A 7BL is authorised and regulated in the United Kingdom by the FCA. finnCap has given and has not withdrawn its written consent to the issue of

this document with the inclusion of its name and the references to it in the form and context in which it appears.

- 15.2 Crowe U.K. LLP of St. Brides House, 10 Salisbury Square, London EC4Y 8EH has given and not withdrawn its written consent to the inclusion of its reports in Part III of this document in the form and context in which they appear.

16. General

- 16.1 The net proceeds of the Placing receivable by the Company are expected to be approximately £18.1 million net of expenses of the Placing which are estimated at £1.9 million, excluding VAT, and are payable by the Company.
- 16.2 Save as disclosed at paragraph 16.3 below, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- (a) fees totalling £10,000 or more;
 - (b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.

- 16.3 The Company has engaged the following professional service providers and advisers in the 12 months, to provide the services set out below:

<i>Service provider/Adviser</i>	<i>Services provided</i>
Penningtons Manches Cooper LLP	Legal advice
CMS Cameron McKenna Nabarro Olswang LLP	Legal advice
Shipleys LLP	Audit services
KPMG LLP	Tax and valuation advice

- 16.4 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 16.5 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 16.6 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 16.7 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 16.8 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Group.
- 16.9 Save as disclosed in this document, the Directors believe that the Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 16.10 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover offers set out in the City Code. Brief details of the Panel, the City Code and the protections they afford are described below. The City Code is issued and administered by the Panel. The City Code applies to all takeover and merger transactions, however effected, where the offeree

company is, *inter alia*, a listed public company resident in the United Kingdom. The Company is a public company resident in the United Kingdom and its shareholders are therefore entitled to the protections afforded by the City Code. Under Rule 9 of the City Code, when (i) a person acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the City Code) which, when taken together with shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the City Code must be in cash (or with a cash alternative) and at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him. Rule 9 of the City Code further provides, among other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares. However, individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Panel consent. For the purposes of the City Code, persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company. Paragraph (9) of the definition of 'acting in concert' also deems any shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the City Code applies to be acting in concert for the purposes of the City Code unless the contrary is established.

- 16.11 Under the Act, if a takeover offer (as defined in section 974 of the Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Ordinary Shares to which the takeover offer relates (the "**Takeover Offer Shares**") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent.. It would do so by sending a notice to outstanding Shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding Shareholders. The consideration offered to the Shareholders whose Takeover Offer Shares are acquired compulsorily under the Act must, in general, be the same as the consideration that was available under the takeover offer.
- 16.12 The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the Ordinary Shares (being voting shares that carry voting rights in the Company), any holder of Ordinary Shares to which the offer relates who has not accepted the offer is entitled by a written communication to the offeror to require it to acquire its Ordinary Shares. The offeror is 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 the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, the giving notice. If a Shareholder exercises his other rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.
- 16.13 Since 31 December 2019, there has been no takeover offer (within the meaning of Part 28 of the Act) for any Ordinary Shares.
- 16.14 The current accounting reference period of the Company will end on 31 December 2020.

16.15 The financial information contained in Part III of this document does not constitute statutory accounts within the meaning of section 434 of the Act. The independent statutory auditors of Elixirr LLP Group for each of the years ended 30 April 2017, 30 April 2018 and 30 April 2019 were BDO LLP, Chartered Accountants and registered auditors, of 55 Baker Street, London W1U 7EU. A copy of the audited statutory accounts of Elixirr LLP Group for each of the years ended 30 April 2017, 30 April 2018 and 30 April 2019 has been delivered to the Registrar of Companies in England and Wales. The auditors' reports for each of these respective periods under section 495 of the Act on those accounts were unqualified and did not contain any statement under section 498 of the Act.

16.16 Crowe U.K. LLP, Chartered Accountants and registered auditors, of St Bride's House, 10 Salisbury Square, London EC4Y 8EH were appointed statutory auditors of the Group on 15 May 2020 for the six month period ended 31 December 2019.

17. Selling Shareholders

The names and business addresses of each of the Selling Shareholders are set out below:

<i>Name</i>	<i>Address</i>	<i>Number of Sale Shares</i>	<i>Number of Ordinary Shares as at the date of this document</i>	<i>Number of Ordinary Shares immediately following Admission</i>
Stephen Newton	12 Helmet Row, London EC1V 3QJ	1,763,657	16,708,200	14,944,543
Graham Busby	12 Helmet Row, London EC1V 3QJ	203,724	1,930,000	1,726,276
Ian Ferguson	12 Helmet Row, London EC1V 3QJ	336,767	3,190,400	2,853,633

18. Availability of this document

A copy of this document is available at the Company's website www.elixirr.com.

Dated 6 July 2020

PART V

TERMS AND CONDITIONS OF THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THESE TERMS AND CONDITIONS ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN THE UNITED KINGDOM OR MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (EACH A “RELEVANT STATE”) WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) (“QUALIFIED INVESTORS”) BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF ARTICLE 2(e) OF REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”); (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”); (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THESE TERMS AND CONDITIONS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

1.1 Introduction

These terms and conditions (“**Terms and Conditions**”) apply to persons making an offer to acquire Placing Shares under the Placing.

Each person to whom these Terms and Conditions apply, as described above, who confirms its agreement to finnCap and the Company to acquire Placing Shares (which may include finnCap or its nominee(s)) (each an “**Investor**”) hereby agrees with finnCap and the Company to be bound by these Terms and Conditions as being the terms and conditions upon which the Placing Shares will be issued and sold under the Placing. An Investor shall, without limitation, become so bound if finnCap confirms to the Investor (i) the Placing Price and (ii) its allocation of Placing Shares.

The Company and/or finnCap may require any Investor to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) considers necessary and/or may require any such Investor to execute a separate investor letter (an “**Investor Letter**”).

1.2 Agreement to acquire Placing Shares

Conditional upon: (i) Admission occurring and becoming effective by no later than 8.00 a.m. on 9 July 2020 (or such other date and/or time as the Company and FinnCap may agree but, in any event, no later than 5.00 p.m. on 31 July 2020); (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms; and (iii) finnCap confirming to the Investors their allocation of Placing Shares, each Investor agrees to become a member of the Company and agrees to acquire at the Placing Price those Placing Shares allocated to it by finnCap. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Investor may have.

1.3 Payment for Placing Shares

Each Investor undertakes to pay the Placing Price for the Placing Shares acquired by such Investor in the manner and by the time directed by finnCap.

Each Investor is deemed to agree that, if it fails to pay the Placing Price for the Placing Shares acquired by such Investor, finnCap may sell any or all of the Placing Shares allocated to that Investor and which have not been paid for on such Investor's behalf and retain from the proceeds, for finnCap's account

and benefit (as agent for the Company and the Selling Shareholders (as the case may be)), an amount equal to the aggregate amount owed by the Investor plus any interest due. Any excess proceeds will be paid to the relevant Investor at its risk. The relevant Investor will, however, remain liable and shall indemnify finnCap, the Company and the Selling Shareholders on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or SDRT or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Investor's behalf. By agreeing to acquire Placing Shares, each Investor confers on finnCap all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which finnCap lawfully takes in pursuance of such sale.

1.4 Representations and warranties

By agreeing to acquire Placing Shares under the Placing, each Investor which enters into a commitment to acquire Placing Shares will (for itself and any person(s) procured by it to acquire Placing Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Selling Shareholders, the Registrar and finnCap that:

- 1.4.1 it has read this document in its entirety and it is relying solely on this document (and any supplementary admission document published by the Company subsequent to the date of this document) and not on any other information given, or representation or statement made at any time, by any person concerning the Group or the Placing. It acknowledges that its participation in the Placing shall be made solely on the terms and conditions set out in these Terms and Conditions, the Placing Agreement and the Articles. It agrees that these Terms and Conditions and the contract note issued by finnCap to such Investor represent the whole and only agreement between the Investor, finnCap, the Selling Shareholders and the Company in relation to the Investor's participation in the Placing and supersedes any previous agreement between any such parties in relation to such participation. It agrees that none of the Company, the Selling Shareholders, finnCap or the Registrar, nor any of their respective directors, officers, partners, agents, consultants, advisers, affiliates, representatives or employees (each an **"affiliate"**), will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation. This paragraph 1.4.1 shall not exclude any liability for fraudulent misrepresentation;
- 1.4.2 it has the funds available to pay the Placing Price in respect of the Placing Shares for which it has given a commitment under the Placing;
- 1.4.3 the contents of this document (and any supplementary admission document published by the Company subsequent to the date of this document) are exclusively the responsibility of the Company and its Directors and apart from the responsibilities and liabilities, if any, which may be imposed on finnCap by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of finnCap nor any person acting on its behalf nor any of their respective affiliates accept any responsibility whatsoever for and makes no representation or warranty, express or implied, as to the contents of this document (or any supplementary admission document published by the Company subsequent to the date of this document) or for any other statement made or purported to be made by it, or on its behalf, in connection with the Group, the Placing Shares or the Placing. finnCap accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document (or any supplementary admission document published by the Company subsequent to the date of this document) or any such statement;
- 1.4.4 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to acquire Placing Shares under the Placing, it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its offer commitment in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Selling Shareholders, finnCap, the Registrar or any of their respective affiliates acting in breach of the regulatory or legal requirements,

directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;

- 1.4.5 it does not have a registered address in and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 1.4.6 it agrees that, having had the opportunity to read this document, it shall be deemed to have had notice of all information and representations contained in this document, that it is acquiring Placing Shares solely on the basis of this document (and any supplementary admission document published by the Company subsequent to the date of this document) and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to acquire Placing Shares;
- 1.4.7 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document (and any supplementary admission document published by the Company subsequent to the date of this document) and, if given or made, any information or representation must not be relied upon as having been authorised by finnCap, the Company or the Selling Shareholders;
- 1.4.8 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (*depository receipts and clearance services*) of the Finance Act 1986 and no instrument under which it acquires Placing Shares (whether as principal, agent or nominee) would be subject to stamp duty or SDRT at the increased rates referred to in those sections and that it, or the person specified by it for registration as a holder of Placing Shares, are not participating in the Placing as nominee or agent for any person or persons to whom the allocation, transfer or delivery of Placing Shares would give rise to such a liability;
- 1.4.9 it, or the person specified by it for registration as a holder of the Placing Shares, will be liable for any stamp duty or SDRT liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (*depository receipts and clearance services*), registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto), if any, payable on acquisition of any of the Placing Shares and acknowledge and agree that, save for the Selling Shareholders who have agreed to pay any stamp duty or SDRT under section 87 of the Finance Act 1986 (if any), none of finnCap, the Selling Shareholders nor the Company nor any of their respective affiliates nor any person acting on behalf of them will be responsible for any other liability to stamp duty or SDRT resulting from a failure to observe this requirement;
- 1.4.10 it accepts that none of the Placing Shares have been or will be registered under the laws of any Restricted Jurisdiction. Accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 1.4.11 if it is receiving the details of the Placing in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 1.4.12 it is a Relevant Person 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;
- 1.4.13 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to acquire Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and acquired by and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 1.4.14 it acknowledges that neither finnCap nor any of its affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any

transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and that participation in the Placing is on the basis that it is not and will not be a client of finnCap or any of its affiliates, that finnCap is acting for the Company and no-one else and that none of finnCap nor any of its affiliates have any duties or responsibilities to it for providing protections afforded to its or their respective clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities contained in these Terms and Conditions or in any Investor Letter, where relevant;

- 1.4.15 it acknowledges that it is not located within the United States, it is acquiring Placing Shares in an “offshore transaction” as defined in Regulation S promulgated under the US Securities Act (“**Regulation S**”) and where it is acquiring Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to acquire the Placing Shares for each such account; (ii) to make on each such account’s behalf the representations, warranties and agreements set out in this document or in any Investor Letter, where relevant; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or finnCap. It agrees that the provisions of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- 1.4.16 it is acting as principal only in respect of the Placing, or, if it is acting for any other person (i) it is and will remain liable to the Company and/or finnCap and/or the Selling Shareholders for the performance of all its obligations as an Investor in respect of the Placing (regardless of the fact that it is acting for another person) (ii) it is both an “authorised person” for the purposes of the FSMA and a Qualified Investor acting as agent for such person and (iii) such person is either (1) a Qualified Investor or (2) its “client” (as defined in section 86(2) of the FSMA) 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;
- 1.4.17 it confirms that any of its clients, whether or not identified to finnCap or any of its affiliates, will remain its sole responsibility and will not become clients of finnCap or any of its affiliates for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 1.4.18 where it or any person acting on its behalf is dealing with finnCap, any money held in an account with finnCap on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require finnCap to segregate such money as that money will be held by finnCap under a banking relationship and not as trustee;
- 1.4.19 it has not and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 102B of the FSMA;
- 1.4.20 it is an “eligible counterparty” or a “professional investor” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook and it is subscribing for or purchasing the Placing Shares for investment only and not for resale or distribution;
- 1.4.21 it irrevocably appoints any Director and any director of finnCap to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its acquisition of all or any of the Placing Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- 1.4.22 it accepts that if the Placing does not proceed or the conditions to finnCap’s obligations in respect of such Placing under the Placing Agreement are not satisfied or the Placing Agreement is terminated prior to Admission for any reason whatsoever or such Placing Shares are not admitted to trading on AIM for any reason whatsoever, then neither finnCap nor the Company nor the Selling Shareholders nor any of their respective affiliates, nor persons controlling, controlled by or under common control with any of them nor any of

their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

- 1.4.23 it has not taken any action or omitted to take any action which will or may result in finnCap, the Company, the Selling Shareholders or any of their respective affiliates being in breach of the legal or regulatory requirements of any territory in connection with the Placing or its acquisition of Placing Shares pursuant to the Placing;
- 1.4.24 in connection with its participation in the Placing, it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing including under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and that its offer commitment is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the **"Money Laundering Directive"**); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 1.4.25 due to anti-money laundering and the countering of terrorist financing requirements, finnCap, and/or the Company and/or the Selling Shareholders may require proof of identity of the Investor and related parties and verification of the source of the payment before the placing commitment can be processed and that, in the event of delay or failure by the Investor to produce any information required for verification purposes finnCap, and/or the Company and/or the Selling Shareholders may refuse to accept the placing commitment and the subscription and/or purchase moneys relating thereto. It holds harmless and will indemnify finnCap, and/or the Company and/or the Selling Shareholders against any liability, loss or cost ensuing due to the failure to process the placing commitment, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- 1.4.26 it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, the MAR and the Proceeds of Crime Act 2002 and confirms that it has complied and will continue to comply with those obligations;
- 1.4.27 it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Placing Shares pursuant to the Placing or to whom it allocates such Placing Shares have the capacity and authority to enter into and to perform their obligations as an Investor of the Placing Shares and will honour those obligations;
- 1.4.28 as far as it is aware it is not acting in concert (within the meaning given in the City Code) with any other person in relation to the Company and it is not a related party of the Company for the purposes of the AIM Rules for Companies;
- 1.4.29 finnCap is entitled to exercise any of its rights under the Placing Agreement or any other right in its absolute discretion, including the right to terminate the Placing Agreement, without any liability whatsoever to it (or any agent acting on their behalf) and finnCap shall not have any obligation to consult or notify Investors in relation to any right or discretion given to it or which it is entitled to exercise;
- 1.4.30 finnCap expressly reserves the right to determine, at any time prior to Admission, not to proceed with the Placing. If such right is exercised, the Placing (and the arrangements associated with it) will lapse and any monies received in respect of the Placing will be returned to Investors without interest;
- 1.4.31 the representations, undertakings and warranties given by an Investor as contained in this document or in any Investor Letter, where relevant, are irrevocable. It acknowledges that finnCap, the Selling Shareholders and the Company and their respective affiliates will rely

upon the truth and accuracy of such representations, undertakings and warranties and it agrees that if any of the representations, undertakings or warranties made or deemed to have been made by its application for Placing Shares are no longer accurate, it shall promptly notify finnCap and the Company;

- 1.4.32 it confirms that it is not and at Admission will not be, an affiliate of the Company or a person acting on behalf of such affiliate and it is not acquiring Placing Shares for the account or benefit of an affiliate of the Company or of a person acting on behalf of such an affiliate;
- 1.4.33 nothing has been done or will be done by it in relation to the Placing that has resulted or could result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with the 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;
- 1.4.34 it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Ordinary Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules as they apply to the Company;
- 1.4.35 it accepts that the allocation of Placing Shares shall be determined by finnCap following consultation with the Company and that finnCap may scale down any placing commitments on such basis as it may determine; and
- 1.4.36 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing.

1.5 Indemnity

Each Investor irrevocably agrees, on its own behalf and on behalf of any person on whose behalf it is acting, to indemnify and hold the Company, the Selling Shareholders and finnCap and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach by it or any person on whose behalf it is acting of the representations, warranties, undertakings, agreements and acknowledgements in these Terms and Conditions.

1.6 Supply and disclosure of information

If finnCap, the Selling Shareholders, the Registrar or the Company or any of their agents reasonably request any information in connection with an Investor's agreement to acquire Placing Shares under the Placing or to comply with any relevant legislation, such Investor must promptly disclose it to them.

1.7 Miscellaneous

- 1.7.1 The rights and remedies of the Company, the Selling Shareholders, finnCap and the Registrar under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 1.7.2 On the acceptance of its placing commitment, if an Investor is a discretionary fund manager, that Investor may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Investor's risk. They may be returned by post to such Investor at the address notified by such Investor.
- 1.7.3 Each Investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which the Investor has agreed to acquire pursuant to the Placing, have been acquired by the Investor. The contract to acquire Placing Shares under the Placing and the appointments and authorities mentioned in this document will be governed by and construed in accordance with, the laws of England. For the exclusive benefit of the Company, the Selling Shareholders, finnCap and the Registrar, each Investor irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings

have been brought in an inconvenient forum. This does not prevent an action being taken against an Investor in any other jurisdiction.

- 1.7.4 In the case of a joint agreement to acquire Placing Shares under the Placing, references to an “Investor” in these terms and conditions are to each of the Investors who are a party to that joint agreement and their liability is joint and several.
- 1.7.5 finnCap, the Selling Shareholders, the Company and its Directors expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined including the right of finnCap to notify to the Company the extension for the dates and times for satisfaction of any or all of the conditions in the Placing Agreement in accordance with the terms of the Placing Agreement (provided that such conditions are not extended beyond 5.00 p.m. on 31 July 2020).
- 1.7.6 The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated in accordance with its terms. For further details of the terms of the Placing Agreement please refer to paragraph 11 of Part IV of this document.
- 1.7.7 finnCap may, and its affiliates acting as an investor for its or their own account(s) may, acquire Placing Shares and, in that capacity may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in these Terms and Conditions to the Placing Shares being offered, subscribed, sold, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, finnCap and/or any of their respective affiliates acting as an investor for its or their own account(s). Neither finnCap nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.
- 1.7.8 Each Investor which acquires Placing Shares will be deemed to undertake that it agrees that 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 outside the United Kingdom by such Investor or any other person on the acquisition by such Investor of any Placing Shares or the agreement by such Investor to acquire any Placing Shares.

1.8 Sales outside the United States

Each acquirer of the Placing Shares offered in reliance on Regulation S will be deemed to represent, warrant and agree as follows:

- 1.8.1 it and any person, if any, for whose account it is acquiring the Placing Shares, is acquiring the Placing Shares outside the United States in an offshore transaction meeting the requirements of Regulation S and the transaction was not pre-arranged with a buyer in the United States;
- 1.8.2 it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares;
- 1.8.3 it is aware that the Placing Shares have not been and will not be registered under the US Securities Act and are being offered and sold only in “offshore transactions” outside the United States in reliance on Regulation S;
- 1.8.4 it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States or any jurisdiction referred to above;
- 1.8.5 if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;

- 1.8.6 it has received, carefully read and understands this document and has not distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Placing Shares to any persons within the United States, nor will it do any of the foregoing; and
- 1.8.7 that the Company, finnCap and the Selling Shareholders, their affiliates and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations or agreements made by it, if it becomes aware that the foregoing acknowledgements, representations or agreements are no longer accurate or have not been complied with, it will immediately notify the Company and finnCap and, if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

1.9 Selling restrictions

- 1.9.1 The distribution of this document and the offer of Ordinary Shares pursuant to the Placing in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.
- 1.9.2 The Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of the Ordinary Shares pursuant to the Placing contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or acquire any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

1.9.3 **Relevant States**

In relation to each Relevant State, no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant State, except that an offer to the public in that Relevant State of any Ordinary Shares may be made at any time under the following exemptions under the Prospectus Regulation:

- 1.9.3.1 to any legal entity which is a Qualified Investor;
- 1.9.3.2 to fewer than 150, natural or legal persons (other than Qualified Investors) per Relevant State, subject to obtaining the prior consent of finnCap for any such offer; or
- 1.9.3.3 in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the Company or finnCap to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Ordinary Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares so as to enable an investor to decide to acquire any Ordinary Shares.

In the case of any Ordinary Shares being offered to a “financial intermediary” as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor

have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Company and finnCap has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, finnCap and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty, acknowledgement and agreement. Notwithstanding the above, a person who is not a Qualified Investor and who has notified finnCap of such fact in writing may, with the consent of finnCap, be permitted to acquire Ordinary Shares in the Placing.

1.9.4 ***United States of America***

The Ordinary Shares have not been and will not be registered under the US Securities Act or under the securities laws or regulations of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold only outside the United States in “offshore transactions” in reliance on Regulation S.

In addition, until 40 days after the commencement of the Placing, an offer or sale of Ordinary Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

1.9.5 ***Australia***

This document has not been and will not be lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange and is not a disclosure document for purposes of Australian law. This document (whether in preliminary or definitive form) may not be issued or distributed in Australia and no offer or invitation may be made in relation to the issue, sale or purchase of any Ordinary Shares in Australia (including an offer or invitation received by a person in Australia) and no shares may be sold in Australia, unless the offer or invitation does not need disclosure to investors under Part 6D.2 of the Corporations Act 2001.

Each acquirer of Ordinary Shares will be deemed to have acknowledged the above and, by applying for Ordinary Shares under this document, gives an undertaking to the Company not to offer, sell, transfer, assign or otherwise alienate those securities to persons in Australia (except in the circumstances referred to above) for 12 months after their issue.

1.9.6 ***Canada***

The relevant clearances have not been and will not be, obtained from the Securities Commission of any province or territory of Canada. Accordingly, subject to certain exceptions the Ordinary Shares may not, directly or indirectly, be offered or sold within Canada, or offered or sold to a resident of Canada.

1.9.7 ***Republic of South Africa***

The relevant clearances have not been and will not be, obtained from the South African Reserve Bank nor any other applicable body in the Republic of South Africa. Accordingly, the Placing Shares will not, directly or indirectly, be offered or sold within the Republic of South Africa.

1.9.8 ***Japan***

The Placing Shares have not been and will not be registered under the Securities and Exchange Law of Japan and may not be offered or sold directly or indirectly in Japan except

under circumstances that result in compliance of all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorised in effect at the relevant time.

1.10 Allocation

- 1.10.1 finnCap has solicited indications of interest from prospective Investors to acquire Ordinary Shares in the Placing. On this basis, prospective Investors have been asked to specify the number of Ordinary Shares that they are prepared to acquire at different prices. Multiple applications under the Placing are permitted.
- 1.10.2 A number of factors have been considered in deciding the Placing Price and the bases of allocation, including prevailing market conditions, the level and the nature of the demand for Ordinary Shares and the objective of encouraging long-term ownership of the Ordinary Shares. The Placing Price has been established at a level determined in accordance with these arrangements, taking into account indications of interest received from persons (including market-makers and fund managers) connected with finnCap. Accordingly, the Placing Price may be lower than the highest price at which all of the Ordinary Shares, in respect of which indications of interest have been received or which are available for subscription or sale in the Placing, could have been accepted.
- 1.10.3 Investors will be advised verbally or by electronic mail of their allocation as soon as practicable following allocation.
- 1.10.4 Investors will be contractually committed to acquire the number of Placing Shares allocated to them at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment. Dealing with the Placing Shares may not begin before notification is made.
- 1.10.5 All Ordinary Shares to be issued or sold pursuant to the Placing will be issued or sold, payable in full, at the Placing Price.
- 1.10.6 The rights attaching to the Ordinary Shares are uniform in all respects and they form a single class for all purposes.
- 1.10.7 Each Ordinary Share ranks equally in all respects with each other Ordinary Share and has the same rights (including voting and dividend rights and rights to a return of capital) and restrictions as each other Ordinary Share, as set out in the Articles.
- 1.10.8 Further details of the rights attached to the Ordinary Shares are set out in paragraph 5 of Part IV of this document.

1.11 Dealing arrangements

- 1.11.1 The Placing is subject to the satisfaction of certain conditions contained in the Placing Agreement, which are typical for an agreement of this nature, including Admission occurring and becoming effective by 8.00 a.m. on 9 July 2020 or such later date as may be determined in accordance with such agreement and the Placing Agreement not having been terminated in accordance with its terms. Certain conditions are related to events which are outside the control of the Company, the Directors, the Selling Shareholders and finnCap. Further details of the Placing Agreement are described in paragraph 11 of Part IV of this document.
- 1.11.2 Application will be made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM. Admission of the Ordinary Shares is not being sought on any market other than AIM.
- 1.11.3 It is expected that Admission will take place and dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 9 July 2020.

- 1.11.4 Each Investor will be required to undertake to pay the Placing Price for the Ordinary Shares acquired by such Investor in such manner as shall be directed by finnCap.
- 1.11.5 The Ordinary Shares are in registered form and can be held in certificated or uncertificated form. Title to certificated Ordinary Shares (if any) will be evidenced in the register of members of the Company and title to uncertificated Ordinary Shares will be evidenced by entry into the operator register maintained by the Registrar (which will form part of the register of members of the Company).
- 1.11.6 It is intended that allocations of Placing Shares to Investors who wish to hold Placing Shares in uncertificated form will take place through CREST on Admission. It is intended that, where applicable, definitive share certificates in respect of the Placing Shares will be posted by first class post as soon as is practicable following Admission. Dealings in advance of the crediting of the relevant CREST stock account shall be at the risk of the person concerned. Prior to the despatch of definitive share certificates in respect of any Placing Shares which are not settled in CREST, transfers of those Placing Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

1.12 CREST

With effect from Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

1.13 Placing arrangements

- 1.13.1 The Company, the Directors, the Selling Shareholders and finnCap have entered into the Placing Agreement, pursuant to which finnCap has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the New Ordinary Shares, and as agent for the Selling Shareholders, to use its reasonable endeavours to procure purchasers for the Sale Shares, in each case at the Placing Price.
- 1.13.2 The Placing Agreement contains provisions entitling finnCap to terminate the Placing (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to Investors without interest. The Placing Agreement provides for finnCap to be paid a commission in respect of the Placing Shares acquired by Investors. Any commission received by finnCap may be retained and any Placing Shares acquired by them may be retained or dealt in, by it, for its own benefit.
- 1.13.3 Further details of the terms of the Placing Agreement are set out in paragraph 11 of Part IV of this document.

1.14 MiFID II Product Governance Requirements

- 1.14.1 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market**").

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

- 1.14.2 For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.
- 1.14.3 Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

