

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser who specialises in advising on the acquisition of shares and other securities and is duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA"), if you are resident in the UK, or if you are not resident in the UK, from another authorized independent adviser.

Application has been made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective, and dealings in the Shares will commence on 20 June 2018. The Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Shares to be admitted to any such exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules published by the London Stock Exchange, 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. Neither the UK Listing Authority nor the London Stock Exchange has itself examined or approved the contents of this Document.

Prospective investors should read the whole text of this Document and should be aware that an investment in the Company is speculative and involves a high degree of risk and prospective investors should carefully consider the section entitled "Risk Factors" set out in Part II of this Document. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.

This Document, which is drawn up as an AIM admission document in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued ordinary share capital of the Company. This Document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this Document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the FCA pursuant to section 85 of FSMA.

Copies of this Document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Arden Partners plc, 125 Old Broad Street, London, EC2N 1AR and the registered office of the Company, from the date of this Document until one month from the date of Admission in accordance with the AIM Rules. A copy of this Document will also be available from the Company's website at www.anexo-group.com

The Directors, whose names appear on page 9 of this Document, and the Company accept responsibility, both individually and collectively, for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors (having taken all reasonable care to ensure that such is the case), 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.

Anexo Group plc

(a company incorporated in England and Wales under the Companies Act 2006 with company number 11278719)

Placing of 25,000,000 Ordinary Shares at 100 pence per Ordinary Share and Admission of the Enlarged Share Capital to trading on AIM

Arden Partners plc ***Nominated Adviser and Broker***

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 20 June 2018 (or such later date as the Company and Arden Partners may agree, being not later than 30 June 2018). The Placing Shares and the Existing Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Enlarged Ordinary Share Capital to be admitted to the Official List or to any other recognised investment exchange.

Arden Partners, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this Document. Arden Partners will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Arden Partners or for providing advice in relation to the contents of this Document or any other matter.

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

In accordance with the AIM Rules for Nominated Advisers, Arden Partners has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Placing Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or from, the United States, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state or other jurisdiction of the United States, any province or territory of Canada, Australia, Japan or the Republic of South Africa and may not be offered or sold, directly or indirectly, within the United States, Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any US person (within the definition of Regulation S made under the United States Securities Act 1933 (as amended)).

The distribution of this Document outside the UK may be restricted by law. No action has been taken by the Company or Arden Partners that would permit a public offer of shares in any jurisdiction outside the UK where action for that purpose is required. Persons outside the UK who come into possession of this Document should inform themselves about the distribution of this Document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, or Arden Partners. Neither the delivery of this Document nor any subscription or purchase made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this Document or that the information contained herein is correct as at any time after its date.

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective investors should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see "Part II: Risk Factors" of this Document).

Potential investors contemplating an investment in Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Company. No assurance is given, express or implied, that investors will receive back the amount of their investment in Ordinary Shares.

If you are in any doubt about the contents of this Document you should consult your stockbroker or your financial or other professional adviser.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential investors should not treat the contents of this Document or any subsequent communications from the Company as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Document are based on the laws and practices currently in force in England and Wales and are subject to changes therein.

This Document should be read in its entirety before making any investment in the Company.

Forward looking statements

Certain statements contained in this Document are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Group and industry and markets in which the Group operates, the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "may", "should", "would", "could", "will", "intends", "plans", "believes", "targets", "seeks", "estimates", "aims", "projects", "pipeline" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ

materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment.

Such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as of the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

Presentation of financial information

The consolidated historical financial information of the Subsidiaries for the three years ended 31 December 2017 set out in Part III of this document has been prepared in accordance with IFRS, except that certain accounting conventions, commonly used for the preparation of consolidated historical financial information for inclusion in investment circulars (as described in the Annexure to Standards for Investment Reporting 2000 issued by the Financial Reporting Council in the United Kingdom) have been applied in respect of the historical financial information. Certain non-financial measures such as EBITDA have been included in the financial information contained in this document as the Directors believe that these present important alternative measures with which to assess the Group's performance. These measures should not be considered as an alternative to revenue and operating profit, which are IFRS measures, or other measures of performance under IFRS. In addition, the Group's calculation of EBITDA may be different from the calculation used by other companies and therefore comparability may be limited.

Currency presentation

Unless otherwise indicated, all references in this document to:

- "sterling", "pounds sterling", "GBP", "£" or "pence" are to the lawful currency of the United Kingdom;
- "Euros" or "€" or "EUR" are to the lawful currency of the European Monetary Union.

The Company prepares its financial statements in pounds sterling.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data sourced and statistics in this Admission Document constitute Directors' estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports as well as from third party sources as described in the footnotes to such information. The Company confirms that all third-party information set out in this Admission Document has been accurately reproduced and that, so far as the Company is aware and has been able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Admission Document, the source of such information has been identified. Such third-party information has not been audited or independently verified.

Rounding

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

No Incorporation of Website

The contents of the Company's website (or any other website) do not form part of this Document.

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 such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**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 Shares. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Arden Partners 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.

Governing law

Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

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KEY STATISTICS

Existing share capital immediately prior to Admission

Number of Existing Ordinary Shares	85,000,000
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Placing

Placing Price	100p
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Number of Placing Shares to be issued by the Company	25,000,000
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Gross proceeds of the Placing receivable by the Company	£25 million*
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Estimated net proceeds of the Placing available to the Company	£8.6 million
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Upon Admission

Number of Ordinary Shares in issue upon Admission	110,000,000
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Percentage of Enlarged Ordinary Share Capital represented by the Placing Shares	22.73 per cent.
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Estimated market capitalisation of the Company on Admission at the Placing Price	£110 million
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TIDM	ANX
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ISIN number	GB00BF2G3L29
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* of which £15,000,000 is being paid to Selling Shareholders and £10,000,000 to the Company

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of the Admission Document	15 June 2018
Admission and commencement of dealings in the Enlarged Ordinary Share Capital on AIM	20 June 2018
CREST accounts credited (where applicable)	20 June 2018
Despatch of definitive share certificates (where applicable)	by 3 July 2018

Notes:

1. References to time in this Document are to London (BST) time unless otherwise stated
2. If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on an RIS

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Alan Mitchell Sellers (<i>Executive Chairman</i>) Mark Andrew Bringloe (<i>Chief Financial Officer</i>) Samantha Moss (<i>Bond Turner Managing Director</i>) Christopher Houghton (<i>Non-Executive Director</i>) Richard James Pratt (<i>Non-Executive Director</i>) Elizabeth Sands (<i>Non-Executive Director</i>) Roger William Barlow (<i>Non-Executive Director</i>)
Registered Office:	5th Floor, The Plaza 100 Old Hall Street Liverpool L3 9QJ
Company Secretary:	Dawn O'Brien
Nominated Adviser and Broker:	Arden Partners plc 125 Old Broad Street London EC2N 1AR
Reporting Accountants:	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Solicitors to the Company:	King & Spalding International LLP 125 Old Broad Street London EC2N 1AR
Solicitors to Arden Partners:	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Company Registrars:	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Financial PR advisers to the Company:	Buchanan Communications Limited 107 Cheapside London EC2V 6DN

DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise or unless defined in Part III of this Document, for the purposes of that part only:

“£” or “Sterling”	British pounds sterling
“ABI”	the Association of British Insurers
“ABS”	Alternative Business Structure
“Act”	the Companies Act 2006 (as amended)
“Admission Document” or “Document”	this document dated 15 June 2018
“Admission”	the admission of the issued and to be issued Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
“AIM Rules for Nominated Advisers”	the rules setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time
“AMS”	the subsidiary housing Allan Seller’s advocacy business, AMS Legal Services Limited, a company incorporated in England and Wales with registered number 11377606
“Arden” or “Arden Partners”	Arden Partners plc, a public limited company incorporated in England and Wales with registered number 04427253 and registered office at 5 George Road, Edgbaston, Birmingham, B15 1NP
“Articles”	the articles of association of the Company, as at the date of Admission, a summary of which is set out in paragraph 4 of Part IV of this Document
“Associated Company”	has the meaning given in paragraph 94 of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003
“ATE”	after-the-event
“Audit Committee”	the audit committee of the Board, as constituted from time to time
“Board”	the board of directors of the Company from time to time, or a duly constituted committee thereof
“Bond Turner”	the legal services subsidiary of the Company, Bond Turner Limited, a company incorporated in England and Wales with registered number 05770681, formerly known as Armstrongs Solicitors Limited
“BSB”	the Bar Standards Board
“CAMS”	Cycling Accident Management Services, being a provider of bicycles on credit hire terms

“certificated” or “in certificated form”	recorded on the relevant register of the share or security concerned as being held in certificated form in physical paper (that is not in CREST)
“CMA”	the Competition and Markets Authority
“CMC”	Claims Management Company
“COFA”	Compliance Officer for Finance and Administration
“COLP”	Compliance Officer for Legal Practise
“Company” or “Anexo”	Anexo Group plc, a public limited company incorporated in England & Wales with registered number 112 78719 and having its registered office at 5th Floor, The Plaza, 100 Old Hall Street, Liverpool, L3 9QJ
“Company Consent”	the written consent of the Company’s Board or Remuneration Committee
“Corporate Governance Code”	the QCA Corporate Governance Code 2018 published by the QCA
“CREST”	the computer-based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear UK & Ireland in accordance with the CREST Regulations
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), including (i) any enactment or subordinate legislation which amends those regulations; and (ii) any applicable rules made under those regulations or such enactment or subordinate legislation for the time being in force
“Direct Accident”	the credit hire subsidiary of the Company, Direct Accident Management Limited, a company incorporated in England and Wales with registered number 03259554, trading as DAMS, McAMS and CAMS, to be renamed Edge Vehicle Rentals Limited post Admission
“DAMS”	Direct Accident Management Services, being a provider of motor vehicles on credit hire terms
“Directors”	the Directors of the Company as at the date of this Document, whose names are set out on page 9 of this Document
“Edge”	Edge Vehicle Rentals Limited, the new umbrella company for the credit hire business of the Company, trading as DAMS, McAMS and CAMS
“Edge Holdings”	means the intermediate holding company, Edge Vehicles Rentals Group Limited, a company incorporated in Jersey with registered number 126621 and registered office at Mauran Governance Services (Jersey) Limited, 22 Glenville Street, St. Helier, Jersey JE4 8PX
“Enlarged Ordinary Share Capital”	the Ordinary Shares in issue immediately following the Placing and Admission, comprising the Existing Ordinary Shares and the New Placing Shares
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales with registered number 2878738 and the operator of CREST

“Existing Ordinary Shares”	the 85,000,010 Ordinary Shares in issue immediately prior to Admission
“FCA”	the Financial Conduct Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group” or “Anexo Group”	the Company and its subsidiary undertakings
“GTA”	the voluntary General Terms Agreement or Credit Hire Protocol that is in place between credit hire companies and insurers for the provision of replacement vehicles to other parties
“HMRC”	HM Revenue and Customs
“IGCA”	IGCA 2013 Limited, a limited company incorporated in England and Wales with registered number 04036260 and with registered office at Hanover Buildings, 11-13 Hanover Street, Liverpool, Merseyside, L1 3DN
“LASPO”	the Legal Aid, Sentencing and Punishment of Offenders Act 2012
“Licensed Body”	an ABS licensed by the SRA
“London Stock Exchange”	London Stock Exchange plc
“McAMS”	Motorcycle Accident Management Services, being a provider of motorcycles on credit hire terms
“MIP”	the Anexo Management Incentive Plan, as further described in paragraph 9 of Part IV of this Document
“MOJ”	Ministry of Justice
“New Ordinary Shares”	the 24,999,990 new Ordinary Shares to be issued and allotted pursuant to the Placing
“NFM”	Non Fault Motorists
“Official List”	the official list maintained by the UK Listing Authority
“Ordinary Shares”	ordinary shares of 0.05 pence each in the capital of the Company
“PALS”	Professional and Legal Services Limited, a limited company incorporated in England and Wales with registered number 06493270 and registered office at 20 New Court Way, Ormskirk, Lancashire, L39 2YT
“Panel”	the Panel on Takeovers and Mergers
“PI”	personal injury
“Placing”	the conditional placing of the Placing Shares by Arden Partners, as agent for the Company pursuant to the terms of the Placing Agreement
“Placing Agreement”	the placing agreement dated 15 June 2018 between, <i>inter alia</i> , the Company, the Directors and Arden Partners, relating to the Placing
“Placing Price”	100 pence per Placing Share

“Placing Shares”	the 25,000,000 Ordinary Shares to be subscribed for pursuant to the Placing
“Prospectus Rules”	the Prospectus Rules made by the FCA pursuant to Part VI of FSMA
“QCA”	the Quoted Companies Alliance
“Recognised Stock Exchange”	any market of a recognised investment exchange as defined by section 1005 of the Income Tax Act 2007
“Relationship Agreement”	the relationship agreement entered into on 15 June 2018 between the Company, Arden Partners and Alan Sellers
“Registrars”	the Company’s registrars, being Equinti Limited
“Remuneration Committee”	the remuneration committee of the Board, as constituted from time to time
“RTA”	road traffic accident
“RIS”	Regulatory Information Service
“Selling Shareholders”	Alan Sellers, Samantha Moss and Valentina Slater
“Shareholder(s)”	holder(s) of Ordinary Shares
“SRA”	the Solicitors Regulation Authority, which regulates solicitors in England and Wales
“Subsidiaries”	Direct Accident, Bond Turner, PALS, the unincorporated advocacy business of Alan Sellers and IGCA
“Takeover Code”	the City Code on Takeovers and Mergers published by the Takeover Panel
“UK Listing Authority”	the FCA, acting in its capacity as the competent authority for the purposes of FSMA
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “uncertificated form”	shares or other securities recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“VAT”	value added tax

PART I

INFORMATION ON ANEXO GROUP

1. OVERVIEW OF GROUP

The Group is a specialist integrated credit hire and legal services group focused on providing replacement vehicles and associated legal services to impecunious customers who have been involved in a non-fault accident. These individuals typically do not have the financial means or access to a replacement vehicle which allows the Group to charge credit hire rather than spot hire or GTA rates, recovering these charges from the at-fault insurer at no upfront cost to the individual.

The Group has developed an integrated business model with a dedicated field sales team generating almost all of the Group's RTA customers from a network of approximately 1,000 active referrers in 2017. The Group provides an integrated end to end service to the customer including the provision of a credit hire vehicle, upfront settlement of repair and recovery charges through to the management and recovery of costs and the processing of any associated personal injury claim.

The Group's business is differentiated from the wider RTA credit hire and claims market as follows:

- The Group's business model is built on the impecunious customers;
- It provides commercial credit hire services to the customer directly, rather than on behalf of an insurer, sourced through dedicated sales representatives who have relationships with a national network of garages and recovery businesses;
- Its services are fully integrated with a specialist legal practice to process and recover hire and repair costs and other legal claims from the at-fault motorist and their insurer;
- It is focused on the impecunious customer (motorist, motorcyclist or cyclist) which allows the Group to recover significantly higher rates than spot hire or GTA rates; and
- The senior management team is highly experienced with many of the team having operated in the credit hire and legal services businesses since 1996.

2. BACKGROUND AND HISTORY OF THE GROUP

The origins of the Group were the establishment of a standalone credit hire business in 1996 which relied on a panel of law firms to recover costs from insurers.

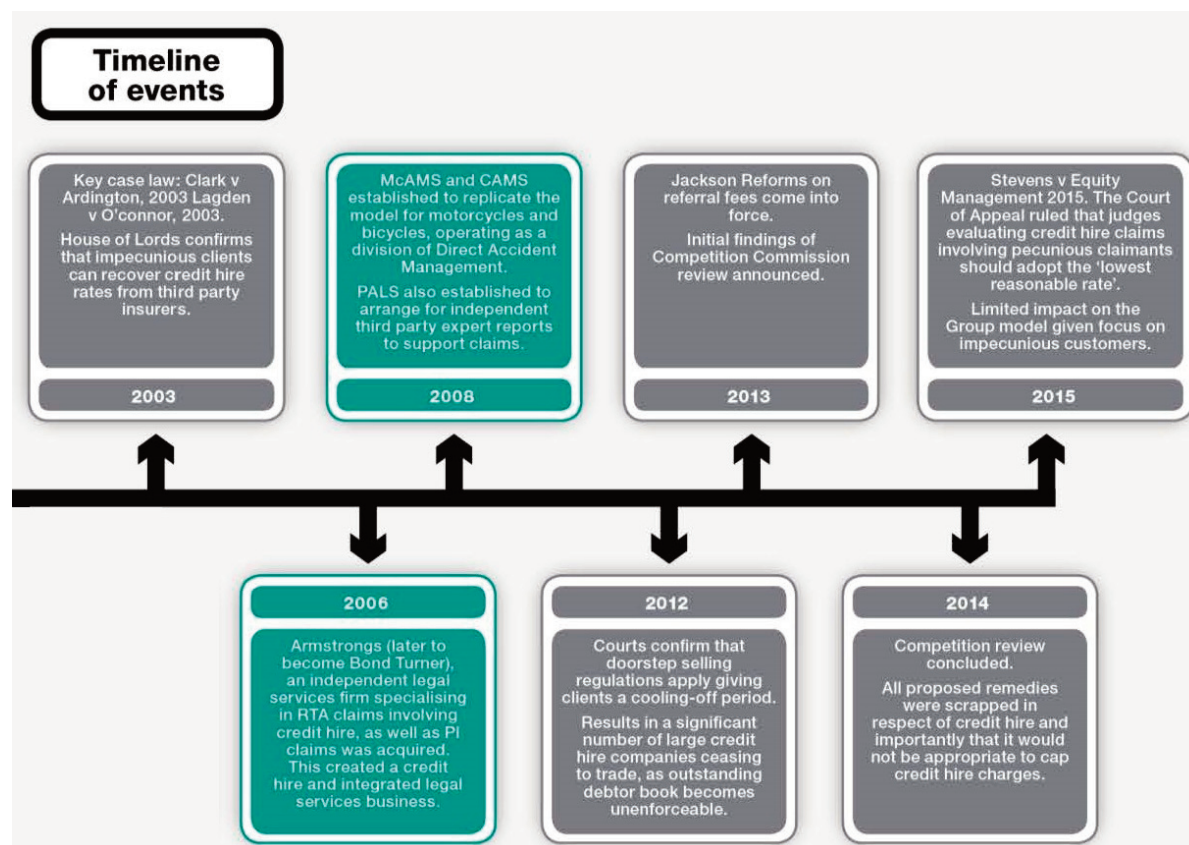
The Group was founded and is led by Alan Sellers. Alan is a qualified barrister and has played a key role in the development and management of the Group's business since inception.

The current Group emerged in 2006 with the incorporation of Armstrongs Solicitors, since renamed Bond Turner, enabling the provision of a complete litigated claims process, principally to support the recovery of credit hire costs and repair disbursements. Edge (trading as DAMS, McAMS and CAMS) operates the Group's credit hire business. Edge has a team of experienced claims handlers responsible for the collation of initial information and assessment of the validity of the claim, supported by Bond Turner, as required. The integrated, direct capture proposition is essential to the Group providing a complete managed service whilst managing its risk. The Group currently comprises four business units under the two main reporting divisions – credit hire and legal and claims services:

- Edge (trading principally as DAMS, McAMS and CAMS) – a specialist credit hire and initial claims management business providing cars, motorcycles and cycles from a fleet of over 1,500 vehicles. Edge is currently named Direct Accident and it is expected that it will be renamed as Edge following Admission;
- Bond Turner – a dedicated provider of legal services to customers, principally to recover hire charges and repair costs. Bond Turner also provides advocacy which is headed by Alan Sellers with the Group utilising external barristers as necessary to support the legal process;
- PALS – a medical legal agency which arranges expert third-party reports to support the customer's claim from either a credit hire and/or personal injury perspective; and
- IGCA – administers ATE insurance policies for independent third-party insurers which have been obtained by customers to ensure that the customer's risk of any adverse costs associated with the claim are reduced or eliminated.

A key proposition for customers is that there is no upfront cost to the customer (including hire and repair charges) with Bond Turner seeking to recover costs from the at-fault insurer, typically through a litigated claims process on behalf of the customer. The Group's business model is underpinned by legal precedent supporting the ability of impecunious customers to recover higher credit hire rates from at-fault insurers.

The below schematic sets out the recent history of the Group and key legal developments.



The Group has been successful in developing a scalable, highly profitable, business model with market leading margins as indicated below:

	2015 <i>Audited</i>	2016 <i>Audited</i>	2017 <i>Audited</i>
Revenue (£m)	36.9	39.0	44.8
Gross Profit (£m)	28.1	30.4	33.6
Gross Profit (%)	76%	78%	75%
EBITDA (£m)	12.8	13.9	15.5
EBITDA (%)	35%	36%	35%

Credit Hire Division – Direct Accident Management (to be renamed Edge post Admission)

The credit hire business was founded in 1996, and trades through two main brands – DAMS, which provides car and van hire, and McAMS, which offers motorcycle hire. The business operates from four regional depots that give nationwide coverage for the provision of hire vehicles across England and Wales. In addition, the Group trades as CAMS in respect of its bicycle hire operations.

Edge operates the Group's credit hire business as well as initiating the claims management and customer capture aspects of the business.

The business provides vehicles to individuals who have been involved in a non-fault accident, allowing the recovery of costs from the at-fault insurer at no upfront cost to the customer. Sales activities are focused exclusively on the impecunious market, allowing the Group to charge commercial credit hire rates which are typically 2-3 times higher than the rates agreed by the ABI under the GTA. Broadly an impecunious claimant is an individual who does not have immediate access to funds for a replacement vehicle.

New claims are typically generated by Edge's team of local sales representatives. Direct Accident self-generates all hire opportunities and has a network of approximately 1,000 active referrers including body shops, vehicle workshops and recovery agents who refer potential customers who have had motor accidents to Edge. The Group has a team of approximately 20 sales representatives who maintain the relationships with these referrers, and pursue new relationships generating an average of 4,500+ credit hire claims per year over the last three years with no significant reliance on any one referrer. The Directors estimate that 70 per cent. of customers are currently sourced from approximately 35 per cent. of England and Wales. Regional hotspots have historically been the result of the distribution of sales representatives who typically have stronger relationships with businesses within their home region. It is typically the relationship of the sales representative with their network of referrers that is key to the capture of potential claims by the Group. In addition to the sales representatives, Edge had 133 employees as at 30 April 2018 who were responsible for the managing of the credit hire and fleet management processes.

The Group's claims vetting process is critical both to prevent fraud and to ensure the ultimate recoverability of the claim from the at-fault insurer. The Directors believe success rates of 99 per cent. in 2017 (success being where neither the Group nor the customer is required to make a payment) of those cases where litigation is settled, is an indication of the quality of the vetting process.

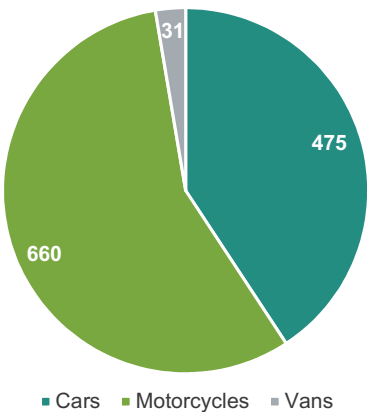
As a result of the changes implemented since the review of civil litigation in the UK led by Lord Justice Jackson between 2013 and 2017 which prohibited referral fees, no fees are paid to referrers, however the integrated service does offer benefits to referrers. The benefits include the retention of the customer for any repair work, commercial daily repair/recovery rates for work approved by an independent engineer and accelerated payment of invoices. In certain instances, the Group also pays a flat marketing retainer in return for the Group's branded signage at the referrer's premises.

Over recent times the Group has experienced significant growth within the McAMS division due to specific marketing aimed at the UK motorcycle community and in particular motorcycle couriers. Marketing activity has included the sponsorship of a British Superbike team, McAMS Yamaha, which provides good visibility for the business, in particular within the motorcycle community. This has seen the numbers of motorcycle cases grow from just over 1,000 per annum in 2013 to almost 2,200 per annum in 2017. A proportion of these are generated from the courier community, the Group being able to provide a hire vehicle and more importantly the appropriate level of insurance cover, to the customer to allow them to remain at work as couriers following an accident.

The business currently operates a fleet of approximately 1,500 vehicles, with approximately 1,100 available for hire at any one time and average utilisation rates of approximately 80 per cent. Non-utilisation reflects vehicles deployed for internal use in fleet management (and therefore not available for hire) and vehicles awaiting maintenance. Deployment of the vehicles is managed via a fleet management system.

The distribution of the fleet by vehicle type is shown below:

Fleet availability: Total 1,166 available vehicles as at 30 April 2018



There are a number of key KPI's reported and used to manage both the credit hire business and the recovery of hire charges, and which demonstrate activity levels and performance across the last three years as follows:

<i>Year ended 31 December</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Fleet size (vehicles available for hire as at year end)	1,002	1,196	1,066
FTE Sales Reps (as at year end)	20	23	17
Average Hire period (days)	53	60	69
Gross Hire Value (£'000s)	37,821	44,949	52,211
Average Hire Value (£)	8,580	9,925	11,192
Average Settlement (£)	4,719	5,409	5,759
Settlement/Value (%)	56%	55%	54%
Completed Vehicle Hires	4,408	4,528	4,665
Cases settled	2,954	3,452	3,485

The underlying trading performance of Edge has been driven by a number of key factors. These have been influenced in part by certain decisions taken by management to manage the balance between the Group's lead generation and cash conversion at different points of the Group's trading history. These key factors include:

- Development of the motorcycle fleet has driven the increase in fleet size and activity levels in 2016, which has also increased average hire periods. The hire period for motorcycles is typically longer than for cars as write off percentages are higher since repair costs are generally a higher percentage of the pre-accident value. On a write off, the hire period does not end until payment of the pre-accident value has been received by the customer from the insurer. This compares to a repair where the rental lasts only for as long as it takes to complete the repair.
- The differing characteristics between car and motorcycle claims cycles, along with the Group's working capital cycle, led the Group in the past six months to focus resources on the generation and processing of motorcycle claims. This had an impact on the number and location of sales representatives which declined at the end of 2017 to 17. The number of sales representatives has since increased to 20 as at 30 April 2018 in order to fuel growth.
- Whilst the average hire value has increased to over £11,000 per hire, this has not affected the recovery rate.

Bond Turner (previously Armstrongs Solicitors)

Bond Turner is the Liverpool-based legal practice, integrated within the Group, specialising in road traffic accident claims that typically involve an element of credit hire. The business was established in 2006 to acquire the Liverpool practice of Coyne Learmonth Solicitors and has since grown to approximately 200 employees as at 30 April 2018, 127 of which are fee earners.

Prior to 2006, Edge claims were referred to third party solicitors. Since its incorporation, Bond Turner has been able to achieve improved recovery rates and periods compared to external law firms. This impact has been particularly marked in respect of credit hire recovery. As a result, Bond Turner has been responsible for acting on all new Edge cases since late 2011 and currently processes all claims generated by Edge.

Bond Turner operates within three key areas:

- Credit Hire – recovery of credit hire debts owed to Edge from individuals who have been provided a vehicle. Whilst the debt associated with the hire is legally for the individual to settle, the Group prides itself (in the majority of cases) on recovering all such costs from the at-fault insurer. In 2017, credit hire and associated claims work accounted for in excess of 95 per cent. of Bond Turner revenues.
- Personal Injury – most RTA cases referred by Edge include an element of PI, albeit this is a bi-product of a credit hire claim rather than the focus of the business. PI cases also follow the Civil Court protocols and are submitted via the Ministry of Justice low value claims portal. A single RTA can often result in a number of individual claims (e.g. the driver/insured person will often have a credit hire and PI claim and any passengers in the vehicle are likely to have a PI claim). Bond Turner typically litigate PI claims only as part of the customer's credit hire and repairs claim. In addition to RTA work, Bond Turner

undertakes PI cases in respect of catastrophic injuries, however, these represent only a small proportion of Bond Turner's cases.

- Other professional disciplines include professional/clinical negligence (branded as Been Let Down) and commercial litigation, in addition to other areas (i.e. non-RTA work). The Been Let Down brand was launched in September 2015. Non-RTA work currently contributes only a small proportion of Bond Turner's annual revenues, a potential growth area for the Group.

The Directors believe that Bond Turner is able to secure improved settlements compared to many other law firms as a result of the specialist knowledge built up by senior staff in respect of credit hire claims. This expertise has been derived over years of involvement in litigated cases (from County Court level through to the Court of Appeal). This experience enables Bond Turner to deal efficiently and effectively with at fault insurance companies against whom Bond Turner litigates on behalf of clients. The integrated approach allows management to make decisions for the overall Group, maximising recovery from both legal fees and hire charges.

The Group currently has a case portfolio of in excess of 18,000 unsettled claims, which equates to over five years of work for Bond Turner. This backlog of cases remain capable of settlement and, with increased processing capacity as a result of the funds raised pursuant to Admission, presents a significant source of potential profit and cash generation for the Group.

Claims process

In the vast majority of cases, including instances where the circumstances of the accident or the hire charges are disputed, the at-fault insurer may refuse to settle the claim at a hire rate acceptable to the Group. In order to maintain momentum and to secure settlement Bond Turner will typically issue court proceedings. If no settlement is agreed and the case proceeds to court, Bond Turner will instruct either in-house barristers or a barrister from a panel of barristers based on expertise in credit hire, geographical location and knowledge of the relevant court. There are on average around 10 barristers in court each day representing the Group's clients. The cost of advocacy is recoverable on a standard basis assessment of costs from the third-party insurer. The Group may consider retaining a greater number of barristers in-house as a part of its development plans and expansion of the legal division post Admission.

Credit hire cases are rarely settled prior to issuing court proceedings. Where proceedings are issued, they are typically settled by Bond Turner in negotiation with the defending insurer or within the MoJ fast track portal. Only a minority end up reaching court.

The vast majority of claims are settled by negotiation, partly driven by the Group's need to preserve working capital. This has historically restricted settlement recovery rates to around 50 to 60 per cent. of the gross hire claim. The new funds raised on Admission will provide an opportunity to increase these settlement recovery rates and the total amount recovered per case. The individual does not suffer loss in these negotiated settlements as the injury claim is settled in full.

Other Services

PALS

PALS specialise in arranging independent experts to support claims and proceedings in connection with its cases. PALS also arranges for expert witnesses, interpreters, photographic reports and consultants where necessary to support customers' legal claims. Typically, all claims require engineer's and/or medical reports. The PALS team consists of 16 people and includes individuals experienced in claims processing and NHS procedures regarding medical records, which experience assists in the timely production of reports.

The costs of reports arranged by PALS are instructed by Bond Turner on behalf of the client and claimed as a disbursement from the at-fault insurer.

PALS ensures the solicitors in Bond Turner can focus on the claim without the additional work required to manage third party report providers or independent experts.

IGCA

IGCA administers ATE insurance policies for independent third-party insurers which have been obtained by customers of Edge such that if a client loses their case, the insurer pays the associated third party legal costs and disbursements. This covers the individual who would otherwise be liable for the costs of the case in the event that it was lost. The insurance is provided and underwritten by an independent third-party insurer.

3. MARKET AND REGULATORY BACKGROUND

The RTA and Credit Hire Market

The credit hire market has evolved to serve non-fault motorists with replacement vehicles provided on credit terms without resorting to the making of a claim on their own insurance (which may be third party only) and paying an excess which could result in increased premiums. Whilst a non-fault motorist has a duty to mitigate their loss, the courts have long held that the hire of a replacement vehicle does mitigate the loss and that the associated hire charges are recoverable from the at-fault insurer. Of the total addressable market, the Group serves claimants who are deemed to be impecunious. Impecunious is not defined by statute but has been interpreted by the courts as referring to a claimant who, due to their specific financial circumstances, is unable, without making an 'unreasonable financial sacrifice', to pay in advance for the hire term and therefore has no choice but to hire a replacement vehicle on credit terms.

Whilst all claimants have a right to claim for the cost of a temporary hire vehicle, GTA claimants face greater restrictions and cannot claim in excess of the agreed GTA rate and period. These claims are largely dealt with through bilateral agreements between claims management companies and the insurers.

Development of case law for impecunious credit hire claims

The fundamental basis for an impecunious claimant's right to a credit hire vehicle was established by a House of Lords ruling (*Clark v Ardington* (2003)) that non-fault accident victims deemed impecunious have the right to recover credit hire rates from third party insurers. As a House of Lords ruling it cannot be challenged by any higher court. This ruling fundamentally underpins the Group's business model and its ability to reclaim credit hire rates from at-fault insurers.

The private motor insurance industry has also been the subject of a review by the CMA in 2013 that encompassed the credit hire supply chain. The review, which concluded in 2014, made recommendations for changes to the structure of the industry which would impact firms operating under the ABI scheme (which does not include the Group). One of the initial recommendations to remedy excessive credit hire charges, was that the industry should introduce a 'dual rate price cap' for credit hire vehicles but on publication of the final report, the CMA scrapped all proposed remedies. The CMA ultimately concluded that it would not be appropriate to cap credit hire charges. Following recent case law developments and the CMA review, the regulatory environment for credit hire has stabilised and the Group's existing business model has been shown to be robust. The Directors believe that the credit hire market has now entered a period of regulatory stability.

GTA hire rates and bilateral agreements

The GTA rates are hire rates agreed between the insurance industry and some credit hire firms. These rates were agreed with the intention of setting standardised levels for daily hire charges, with the additional benefit of speeding up settlement of cases by insurers. These rates have subsequently been largely replaced by bilateral agreements. Together these arrangements underpin the non-impecunious credit hire market. The Group typically follows a litigated/court process to ensure settlement of credit hire fees and associated claims and the Group structure is therefore free from restrictions that could flow from being within the insurance supply chain and subject to these arrangements. The GTA rates are a voluntary code as recognised by the CMA and not directly comparable to commercial credit hire rates as charged by the Group and confirmed as applicable by *Clark v. Ardington*, 2003.

Impecunious rates adjudicated by the courts

Given the Group's focus on impecunious claimants, and taking into account, the relevant case law, the Group has set its rates to reflect the credit and insurance risk of extending hire to impecunious claimants and their ultimate responsibility for the payment of hire fees should costs not be recovered.

Operating outside the GTA framework and without any formal agreement with insurers allows the Group to recover commercial credit hire rates and associated legal costs, thus driving higher margins.

Consumer Legal Services: Accident Claims

The UK has an accident claim market worth almost £4 billion. This includes both consumer personal injury claims resulting from RTAs and medical negligence claims. Traditionally this model was split between claims gatherers/processers and law firms (litigated claims). The model has evolved and today legal services businesses typically operate one, or a combination, of two business generation models; being direct capture model whereby the legal business sources clients itself, or third-party capture in conjunction with a regulated CMC or from the insurer. By virtue of its sales representatives, the Group operates a direct capture model.

Regulatory changes

The market has been the subject to a number of regulatory changes aimed at reducing the cost of insurance to consumers. This includes a 'Low Value Claims Protocol' under which claims below £25,000 are processed through a MOJ Portal designed to shorten the settlement timeline with strict deadlines for defendants to respond to claims. The MOJ Portal is a three-stage process, however, a claim can fall outside of the portal at any stage for a variety of reasons. If a claim does fall outside of the MOJ Portal it becomes a litigated claim. This is a higher cost process with greater legal fees, however it can take significantly longer to settle a claim. The majority of the Group's claims fall out of the MOJ Portal as insurers typically contest credit hire charges. However, the Group typically agrees settlement prior to Court.

Jackson Review

The introduction of LASPO in 2013 and the implementation of the Legal Services Act, especially the creation of Alternative Business Structures, has had widespread implications on solicitors, CMCs and marketing service providers operating in the broader consumer litigation sector. LASPO was introduced in an attempt to enable litigation to be pursued at reasonable cost and to prevent excessive and fraudulent claims. As a result, the two main impacts of LASPO were a ban on referral fees and an increase in protection to consumers against defendants' fees and ATE insurance premiums. The introduction of LASPO saw a dramatic decrease in the number of CMCs in the years following its introduction.

Along with the introduction of LASPO, there has been a general tightening of regulation and increased focus on CMCs. Regulation of CMCs shall, from spring 2019, fall under the remit of the FCA and all regulated CMCs are required to be authorised by the FCA. Furthermore, CMC managers will have to pass a fit and proper test and will be personally accountable for any rule breaches for which their company is responsible. The new regulatory environment will also result in a number of other implications such as maintaining recorded call records for audit purposes.

Fixed fees are becoming more prevalent in the PI and RTA claims sector. Reducing fixed fees on PI claims has reduced the margins for many in the industry. Since November 2015 the personal injury sector has been in a state of uncertainty concerning small injury claims as a result of proposed legislative changes. This has now clarified with the proposed legislative changes published in the Civil Liability Bill. Pursuant to the Civil Liability Bill, from the date that the Civil Liability Bill is expected to come into force (expected to be April 2019), the small claims limit for RTAs involving a car is proposed to be raised to £5,000 with an estimated 80 per cent. of RTA claims under this proposed limit. The limit on fees for soft tissue personal injury claims is proposed to be reduced to £400 from £500. The Directors believe that following implementation of the proposed regulations, the inability to recover their legal costs from the third-party insurers is likely to lead to many legal services firms stopping their credit hire and personal injury work, moving into new areas of law or running off existing cases. The Directors are of the view that the changes in the Civil Liability Bill will benefit the Group. Since most of its claims are in excess of £10,000, the small claims limit will have a limited effect while the new limits on PI claims will probably result in a large number of small solicitors leaving this area of practice, resulting in increased opportunity for the Group.

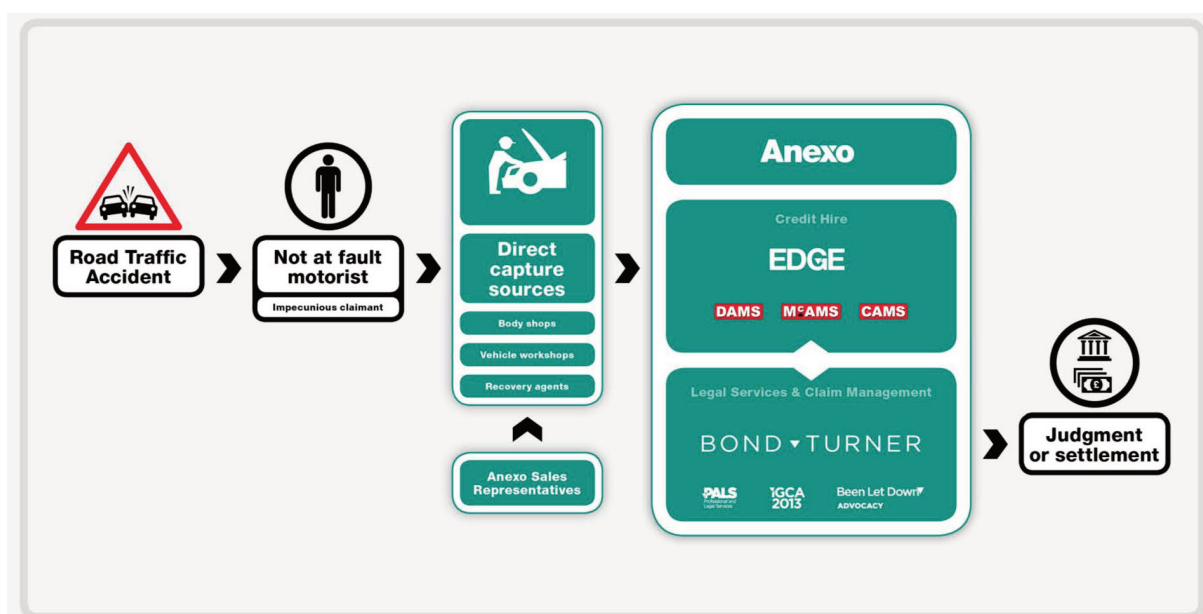
Following the announcement of recent legislative updates, uncertainty surrounding the sector and regulatory changes is reducing. Overall, the market remains fragmented but the regulatory changes are likely to continue to encourage consolidation as larger firms look for the scale and technology to operate low value claims processes efficiently.

Why the Group is different and well placed

The Group is an integrated specialist in litigated claims combining direct capture via credit hire to facilitate claims management within a wholly owned legal services firm. This enables the Group to select high quality, profitable cases and to process them to their conclusion. The Group's integrated service helps the Group to maintain quality at each stage and effectively manage the process with a legal division motivated to recover the credit hire charges for the benefit of the wider Group. The Group is not (unlike most participants in the sector) reliant on generating personal injury claims that may not be cost effective to process on a standalone basis. However, the Group is able to increase fees recovered as part of a core credit hire claim by also processing associated PI claims. The Group is also independent of insurers and other third-party capture suppliers and is able to set hire rates at full commercial credit hire rates.

The Group's business model is extremely attractive to customers as it enables the management of their case without the need for them to contact and manage separate advisers or have their case farmed out to a panel firm following initial contact. This business model also benefits the referrers as they are able to maintain their own customer relationship and undertake repairs on the vehicles at commercial rates.

The schematic below sets out the Group's differentiated business model:

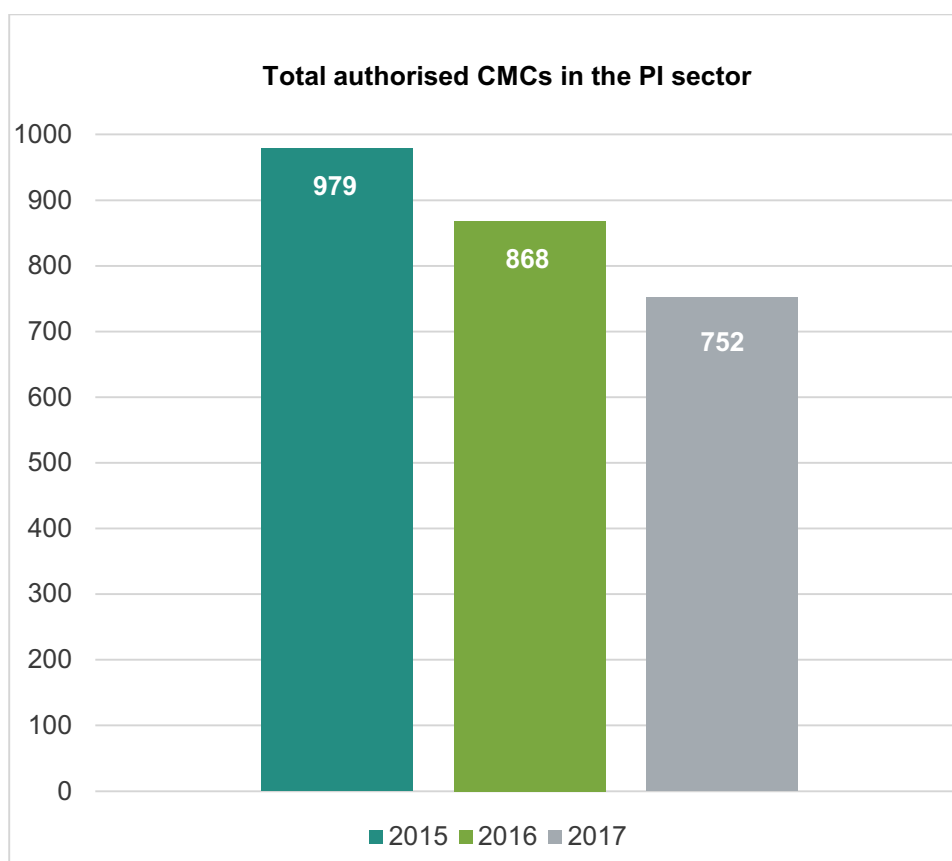


4. MARKET TRENDS

The total UK Credit Hire market was estimated to comprise 301,000 cases annually (CMA, 2014), although submissions to the CMA suggested a higher total market size of 374,000. At the end of 2017, Department for Transport records show that there were 37.7 million licensed vehicles on the road representing an annual increase of 1.3 per cent. There are varying estimates on the total number of RTAs that occur each year in the UK with an estimated 700,000 claims recorded in 2017. However, the total number is likely to be significantly higher given that many cases are either not reported to the police or not recorded within official statistics.

The RTA market covers the full provision of credit and legal services to non-fault motorists and includes the management of a claim to assist with the repair of a vehicle, provision of a replacement vehicle during the repair or replacement process and any associated legal claim. This is typically provided by a CMC either within or outside of the insurance supply chain. Over the past five years the market has undergone a period of consolidation driven in part by changing regulation and a ban on referral fees.

The total number of authorised CMCs focused on RTA and associated personal injury has fallen by 68 per cent. from over 2,500 in 2012 following the ban on referral fees came into force in April 2013. This has restricted the ability of CMCs to seek personal injury cases and selectively pass leads on to panel law firms. This has impacted CMCs, credit hire and consumer law firms with each experiencing consolidation.



(Source: Statista 2018, Number of authorised claims management companies in the personal injury sector in the United Kingdom (UK) from 2014 to 2017, n.d. <https://www.statista.com/statistics/653460/personal-injury-cmcs-in-the-uk/>)

In addition to consolidation amongst CMCs, RTA law firms have come under pressure from a changing regulatory environment and increasing prevalence of corporate business models with greater scale resulting in a trend of decreasing recoverable rates. There are currently over 800 specialist personal injury law firms operating in the UK with some industry participants believing that changing regulation, and the difficulty of obtaining backing from high street banks for PI case funding, could reduce this significantly. However, despite a recent period of consolidation, the market remains highly fragmented with a limited number of national firms amongst local consumer law firms. As with CMCs, changing regulation is favouring larger, more efficient practices. Law firms may stop investing in taking on new cases following the implementation of changes to personal injury legislation. These changes are proposed to reduce the legal work required with cases being settled by a small claims court to reduce costs. Law firms will therefore be restricted in the fees they are able to recover in a large majority of personal injury cases. These small claims would be capable of being processed by claims handlers with limited legal input.

The Directors believe that the Group's integrated model has the ability to insulate it from these market trends.

5. COMPETITORS

Given the holistic and integrated service provided by the Group, the Group believes that there is no direct competitor with a comparable service and national reach. There are a number of firms competing to capture the customer, including other credit hire and personal injury firms. However, amongst the credit hire competitors, the largest typically operate under either GTA hire rates or with bi-lateral agreements with insurers. No competitor in the UK provides a comparable integrated process focussed on impecunious customers.

At a local scale, some high street and regional law firms offer credit hire, usually on an outsourced basis, in order to secure potential personal injury claims. The credit hire in these instances is typically of secondary interest to the law firm that may lack the specialist expertise to process the credit hire elements of a claim or the repair and recovery costs. The Directors believe the trend for such firms will be to consolidate or leave the market.

Many competitors secure work from third parties such as insurance companies and brokers. Many of the existing national credit hires businesses, including Redde plc, secure a majority of their customers from bilateral agreements with insurers resulting in a lower risk, unlitigated process based on providing vehicles under agreed rates and restrictions.

6. GROWTH STRATEGY

The Directors believe that there are a number of opportunities to grow the business as follows:

- grow market share in a consolidating market and take advantage of opportunities that may arise following the anticipated introduction of the Civil Liability Bill in April 2019. The Directors believe that changes to regulation will present an opportunity as law firms change strategy and exit the market.
- increase the number of solicitors and legal assistants to process the Group's existing cases and enable the Group to take on more cases. Currently, the legal services business is based in Liverpool with around 170 employees. Opening new regional offices for Bond Turner would help to attract new legal staff and a first new office is likely to be in Manchester. The Directors believe it would be difficult to recruit substantial additional staff in Liverpool due to the lack of availability of experienced legally trained staff.
- increase the number of vehicles available for hire and employ additional sales representatives. In the recent past the number of cars and sales representatives supporting Edge has been reduced in order to conserve financial resources. This has now been reversed and the growth record of this business is expected to be resumed.
- bring more barristers in house so that work does not need to be given to other chambers. These additional barristers would be paid a basic salary and receive a share of fees which will retain more profit in-house.
- regional expansion. At present the Directors estimate that 70 per cent. of the Group's credit hire business comes from 35 per cent. of England and Wales. There is considerable opportunity to expand the business by devoting additional resource to new regions in England and Wales.

7. SUMMARY FINANCIAL INFORMATION

Part III of this Document contains audited historical financial information of the Subsidiaries for the three years ended 31 December 2017.

The following unaudited summary financial information should be read in conjunction with the full text of this Document. Investors should not rely solely on the summary financial information which has been adjusted to reflect the Group as constituted post Admission.

£000's	Year ended 31 December		
	2015 <i>Unaudited</i>	2016 <i>Unaudited</i>	2017 <i>Unaudited</i>
Reported Profit and total comprehensive income (audited)	10,253	11,208	12,407
Notional tax charge on advocacy earnings	(314)	(209)	(548)
Prospective salary of Alan Sellers	(375)	(375)	(375)
Exceptional credit	–	(850)	(400)
Adjusted Profit after Tax	<u>9,564</u>	<u>9,774</u>	<u>11,084</u>
Net debt	8,078	11,202	15,046
Net Assets (audited)	37,568	46,756	55,462

In the last three years ended 31 December 2017, on an illustrative unaudited basis the Subsidiaries have demonstrated consistent growth, with adjusted profit after tax increasing from £9.6 million in the year ended 31 December 2015 to £11.1 million in the year ended 31 December 2017, a compound annual growth rate of 8 per cent..

In calculating the adjusted profit after tax adjustments have been presented to reflect a notional tax charge on advocacy earnings, the replacement of principal shareholder drawings by a prospective salary of £375,000. Exceptional credits reflect an insurance broker credit in 2016 and bank compensation in 2017.

8. CURRENT TRADING AND PROSPECTS

As noted in paragraph 2 above, the management of the Group took a decision in 2017 to focus on motorcycle claims and settling existing claims in progress rather than new claims generation. This led to a reduction in sales representatives and cars on hire in DAMS in the second half of the year. This policy was reversed in late 2017 in anticipation of the IPO and the number of representatives and cars on hire have accordingly increased since the year end. As a result, the first six months trading of 2018 at Edge is expected to be behind the strong first half of 2017, however this is expected to reverse in the second half of 2018 due to the investment in the fleet and additional sales representatives. Bond Turner is trading in line with Directors' expectations.

The Directors continue to implement the Group's strategy, as set out in paragraph 6 of this Part I, and are confident about the future prospects of the Group.

9. DETAILS OF THE PLACING AND LOCK-IN ARRANGEMENTS

The Company is proposing to place 25,000,000 Ordinary Shares at a price of 100 pence per share to placees.

The Company, the Directors and Arden Partners have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, Arden Partners has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares.

Placing Shares subscribed for by placees will represent approximately 22.73 per cent. of the Enlarged Ordinary Share Capital.

The Placing Agreement is conditional, amongst other things, upon Admission having become effective by not later than 8.00 a.m. on 20 June 2018 or such later time and date as the Company and Arden Partners may agree (being not later than 8.00 a.m. on 30 June 2018).

Further details of the Placing Agreement are set out in paragraph 13 of Part IV of this document.

Application has been made to the London Stock Exchange for all the issued and to be issued Ordinary Shares to be admitted to trading on AIM. The Placing Shares are expected to be issued and Admission is expected to become effective on 20 June 2018.

The Placing Shares will be issued fully paid, and following allotment, will rank in full for all dividends or other distributions hereafter declared, made or paid on the Ordinary Shares of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission. The rights attaching to such Ordinary Shares are set out in paragraph 7 of Part IV of this Document.

The Selling Shareholders have entered into Lock-in Arrangements with the Company and Arden Partners under which they have agreed not to sell any Ordinary Shares within the first 12 months of Admission, save in certain limited circumstances. In addition, the Selling Shareholders have agreed not to sell any Ordinary Shares in the following 12 months, save in certain limited circumstances other than through the Company's Nomad, being Arden Partners.

10. REASONS FOR ADMISSION, THE PLACING AND USE OF PROCEEDS

The Directors believe that Admission will position the Company for its next stage of development by further raising its profile, incentivising employees and providing it with a well-funded platform for future organic growth and, potentially, acquisitions. Admission will also enable the Selling Shareholders to realise part of their investment in the Company, which they have built up over a long period.

The Company will receive approximately £25 million of proceeds from the Placing (after deducting placing commissions and other related expenses of approximately £1.4 million), of which approximately £14.5 million

will be paid to the Selling Shareholders in consideration of their transfer to the Company of their interests in Direct Accident, Bond Turner, PALS, IGCA and AMS, as further described in paragraph 4 of Part IV of this Document, resulting in net proceeds to the Company of approximately £8.6 million. In addition, certain Selling Shareholders will settle Director's loan balances of not less than £5.0 million providing additional cash resources to the Group.

The Company intends to use the net proceeds from the Placing to expand the Group's operations as identified under "Growth Strategy" above.

11. DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

The Board will at Admission comprise three executive Directors and four non-executive Directors.

DIRECTORS

Alan Sellers (*Executive Chairman, aged 58*)

Alan Sellers was called to the Bar in 1991 at the Gray's Inn Bar and is currently practising from the Liverpool Civil Law Chambers. Alan is an expert in civil litigation, personal injury and credit hire claims and clinical and professional negligence, and he is recognised as a leading figure in these fields. Mr Sellers was one of the founders of the business and has been instrumental in forming Anexo Group plc as it operates today. On admission, Mr Sellers will continue to practise as one of Anexo's in-house team of barristers.

Mark Bringloe (*Chief Financial Officer, aged 45*)

Mark Bringloe is a Chartered Accountant having previously worked at Ernst & Young, Robson Rhodes and BDO. Mark was Director in BDO's Corporate Finance team prior to working as a consultant. Mark joined Anexo in 2009 before joining the Board in 2009 as Chief Operating Officer.

Samantha Moss (*Bond Turner Managing Director, aged 37*)

Samantha Moss graduated from the University of Manchester with a degree in law and accountancy in 2003 and she was subsequently admitted as a solicitor in 2008. Samantha has worked at Bond Turner since 2004 and is currently Managing Director. Samantha is a specialist in clinical and professional negligence and civil litigation, including personal injury and credit hire claims. Samantha also maintains managerial responsibility for Bond Turner and overseas regulatory compliance, client care, complex claim, staff supervision, account and complaints handling. Samantha is married to Alan Sellers.

Christopher Houghton (*Senior Independent Non-Executive Director, aged 59*)

Christopher Houghton is a fellow of the Chartered Institute of Management Accountants. He joined Park Group plc in 1986 in a finance role rising to Finance Director in 2001. After taking on operational responsibilities he became Chief Executive in 2012 retiring from the group in 2018.

Richard Pratt (*Independent Non-Executive Director, aged 61*)

Richard Pratt was called to the Bar in 1980 and has practised in Liverpool, specialising in criminal law. He was appointed a QC in 2006 and has been the head of his chambers since 2012 and leader of the Northern Circuit between 2011 and 2013. Richard is also a recorder of the Crown Court.

Elizabeth Sands (*Independent Non-Executive Director, aged 46*)

Elizabeth Sands is currently Chairman of Great Bowery, a New York based fashion agency back by Private Equity. She has also provided independent advice to a number of both private and public companies including a FTSE100 utilities company and an international investment bank. She was previously Head of Organisation and Transformation UK at AT Kearney following which she was Vice Chair of the Finance and Investment, and Workforce committees at the Devon Partnership NHS Trust.

Roger Barlow (*Independent Non-Executive Director, aged 64*)

Roger Barlow is a Chartered Accountant and was a partner with KPMG until 2000. Since then he has held a number of directorships and is currently Chairman of Marsden Building Society and Senior Independent Non-Executive Director and Chair of Audit at a challenger bank, Bank & Clients plc. He is the independent member of the Audit Committee at the Information Commissioner's Office and was recently Chair of Audit at a NHS Foundation Trust Hospital. He has also been CFO and Chairman of two AIM listed companies.

SENIOR MANAGEMENT

The day to day management of the two key divisions is carried out by the management board which reports to the Anexo Board.

The Group's senior management, in addition to the executive Directors listed above, is as follows:

Dawn O'Brien (*Bond Turner CEO, aged 34*)

After graduating with a Law degree from the University of Liverpool in 2004, Dawn was called to the Bar at Middle Temple in 2006. Dawn joined Bond Turner in the same year and she was later appointed CEO in 2009. Dawn specialises in RTA/Credit hire and costs litigation and advocacy. As well as her fee earning work, Dawn oversees banking, HR, payroll, compliance and the supervision of fee earning and finance staff. Dawn is also Company Secretary of Anexo Group plc.

Valentina Slater (*Edge Sales Director, aged 56*)

Valentina Slater has been involved with the Group since it was founded in 1996. Over the past 22 years, she has been responsible for the sales growth of the Group and was influential in the introduction of motorcycles and cycles to the Group in 2010. Ms Slater manages the Group's sales managers and team and is responsible for setting sales targets and reporting on sales to the Board. In her role as Sales Director, Valentina also maintains the daily management and co-ordination of all sales personnel, legal, claims handling and the claims administration team.

Colin Brennand (*Bond Turner Financial Accountant Director, aged 75*)

Colin Brennand is a qualified accountant, he started a career in litigation services in 1976 and has now worked across a range of services and has significant experience in advising personal injury firms on general accounting and taxation. Colin is responsible for financial reporting within Bond Turner.

12. CORPORATE GOVERNANCE

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

The Directors intend to adhere to the QCA guidelines which have become a widely recognised benchmark for corporate governance of smaller quoted companies, particularly AIM companies. Contrary to the Corporate Governance Code, Alan Sellers will be Executive Chairman since the Board considers this to be appropriate in the immediate future as he has driven the strategy of the Group. A senior independent Non-Executive Director, Christopher Houghton, has been appointed to deal with shareholder related matters.

Immediately following Admission, the Board will comprise 7 Directors, 3 of whom shall be executive Directors and 4 of whom shall be non-executive Directors, reflecting a blend of different experience and backgrounds.

Following Admission, the Board will meet at least 8 times a year to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals. It has established an Audit committee, a Remuneration committee and a Risk and Regulation Committee with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Board and committee independence

The Corporate Governance Code recommends that, in the case of a UK listed company that is a “smaller company” (defined in the UK Corporate Governance Code as being a company that is outside the FTSE 350, as the Company is expected to be), it should have at least two independent non-executive directors.

As of the date of this document, the Board consists of four independent non-executive Directors and three executive Directors including the Chairman. The Company regards the non-executive Directors as “independent non-executive directors” within the meaning of the UK Corporate Governance Code and free from any relationship that could materially interfere with the exercise of their independent judgment.

Board Committees

The Company will, upon Admission, have established audit, remuneration and risk and regulation Committees comprised solely of independent non-executive Directors although certain senior management are likely to attend key committees.

Audit Committee

The Audit Committee is chaired by Roger Barlow and its other members are Christopher Houghton and Richard Pratt, each of whom is an independent non-executive Director. The Audit Committee is expected to meet formally at least two times a year and otherwise as required. It will have the responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed and its role includes monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

Remuneration Committee

The Remuneration Committee is chaired by Christopher Houghton and its other members are Richard Pratt and Elizabeth Sands, each of whom is an independent non-executive Director. The Remuneration Committee is expected to meet as required. It will have responsibility for determining, within the agreed terms of reference, the Company's policy on the remuneration packages of the Company's chairman, the executive Directors, senior managers and such other members of the executive management as it is designated to consider. The Remuneration Committee will also have responsibility for determining (within the terms of the Company's policy and in consultation with the chairman of the Board and/or the chief executive officer as appropriate) the total individual remuneration package for each executive director and other designated senior executives (including bonuses, incentive payments and share options or other share awards). The remuneration of non-executive directors will be a matter for the chairman and executive directors of the Board. No director or manager will be allowed to partake in any discussions as to their own remuneration. In addition, the Remuneration Committee will have the responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning. It will also have responsibility for recommending new appointments to the Board.

Risk and Regulation Committee

The Risk and Regulation Committee is chaired by Richard Pratt and its other members are Roger Barlow, Elizabeth Sands and Christopher Houghton. The business of the Group is regulated by the SRA and it also offers insurance and credit hire products which need to be monitored to ensure regulatory observance. The Committee will also ensure that there is a robust process in place for identifying, managing, and monitoring risks to the Group, and will assess the risk profile of the Group and how the risks arising from the Group's businesses are controlled, monitored and mitigated by management. The Committee will be assisted by Dawn O'Brien, Bond Turner CEO, in ensuring regulatory compliance.

Share dealing policy

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares

are admitted to trading on AIM (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

13. EMPLOYEES

As at 14 June 2018, being the last practicable date prior to the publication of this document, the Group employed approximately 390 employees. The Company has put in place a scheme to incentivise, and recognise the value of, its senior management, the details of which are summarised briefly in the following paragraph and in more detail in paragraph 8 of Part IV of this Document.

14. EMPLOYEE SHARE PLAN

The Board recognises the importance of ensuring that the management and employees of the Group are effectively and appropriately incentivised and their interests are aligned with those of the Group. The ongoing success of the Group depends to a high degree on retaining and incentivising the performance of key employees and members of senior management. To that end the Board has put in place the MIP, further details of which are set out in paragraph 8 of Part IV of this Document. The maximum number of Ordinary Shares subject to the MIP will initially be limited to 5 per cent. of the Enlarged Ordinary Share Capital.

15. TAXATION

Information regarding taxation is set out in paragraph 15 of Part IV of this Document. These details are intended only as a general guide to the current tax position in the UK.

If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.

16. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares on AIM will commence at 8.00 a.m. on 20 June 2018.

The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST). Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. In respect of Shareholders who will receive Ordinary Shares in uncertificated form, Ordinary Shares will be credited to their CREST stock accounts on 20 June 2018. Shareholders who wish to receive and retain share certificates are able to do so and share certificates representing the Ordinary Shares to be issued pursuant to the Placing are expected to be despatched by post to such Shareholders by no later than 3 July 2018.

CREST is a paperless settlement 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 CREST. The Company will apply for the Enlarged Ordinary Share Capital to be admitted to CREST from the date of Admission.

The ISIN number of the Ordinary Shares is GB00BF2G3L29. The TIDM is ANX.

17. INTERESTS IN ORDINARY SHARES

Upon Admission, the Directors will in aggregate be interested in, directly and indirectly, 77,350,000 Ordinary Shares representing approximately 70.32 per cent. of the Enlarged Ordinary Share Capital. Further information is available in paragraph 9 of Part IV of this Document.

18. DIVIDEND POLICY

The Board intends to adopt a progressive dividend policy for the Company from Admission which will seek to maximise Shareholder returns. The Board may revise the dividend policy from time to time. In respect of

the period from Admission to 31 December 2018, it is the present intention of the Board to recommend the payment of a dividend of 1.5 pence per Ordinary Share. In the future, the Board expects to pay interim and final dividends in equal proportions, although this will be subject to determination at the applicable time by the Board, and accordingly no guarantee can be given as to the payment of future dividends.

19. TAKEOVER CODE

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

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

Concert Party

The Selling Shareholders are considered to be acting in concert with each other in relation to the Company for the purposes of the Takeover Code following Admission (the “Concert Party”). Immediately following Admission and assuming the placing of all of the Placing Shares, members of the Concert Party will hold, in aggregate, 85,000,000 Ordinary Shares, representing approximately 77.27 per cent. of the Enlarged Ordinary Share Capital.

The Concert Party members and their respective holdings are detailed below:

Alan Sellers – 35.16 per cent.

Samantha Moss – 35.16 per cent.

Valentina Slater – 6.95 per cent.

For so long as the Concert Party’s aggregate interest remains above 50 per cent., it will generally be able to increase its shareholding without incurring any obligation on any member of the Concert Party under Rule 9 of the City Code to make a general offer to Shareholders, and Shareholders will not benefit from any specific minority shareholder protection other than to the extent prescribed under the relevant law. In particular, Valentina Slater, as the holder of 7.00 per cent of the Enlarged Ordinary Share Capital will be able to acquire interests in further Ordinary Shares, up to 30 per cent. of the voting rights of the Company, increasing the Concert Party’s shareholding in the Company over 77.27 per cent., without being required to make an offer for the entire issued Ordinary Share capital of the Company.

Should any individual member of the Concert Party: (i) acquire any interest in Ordinary Shares, where such person, together with persons acting in concert with him, is interested in Ordinary Shares which in aggregate carry not less than 30 per cent. of the voting rights of the Company; or (ii) acquire any interest in Ordinary Shares such that they are interested in 30 per cent. or more of the voting rights of the Company; or (iii) (where such individual member is interested in 30 per cent. or more of the voting rights of the Company but does not hold Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company) acquire any further interest in Ordinary Shares, the Panel may regard this as giving rise to an obligation upon that member of the Concert Party to make an offer for the entire issued Ordinary Share capital of the Company at a price no less than the highest price paid by the individual member of the Concert Party or any other member of the Concert Party in the previous 12 months.

20. RELATIONSHIP AGREEMENT

Alan Sellers has entered into the Relationship Agreement with the Company and Arden dated 15 June 2018. The principal purpose of the Relationship Agreement is to ensure that the Company will at all times be capable of carrying on the business of the Group independently of Alan Sellers and his associates. The Relationship Agreement takes effect from Admission. The Relationship Agreement will terminate if the Ordinary Shares cease to be admitted to trading on AIM (not including any period of suspension of trading) or if Alan Sellers, together with his associates, ceases to retain an aggregate interest of 25 per cent. or more of the rights to vote at a general meeting of the Company attaching to the Ordinary Shares.

21. RISK FACTORS

Your attention is drawn to the risk factors set out in Part II of this Document. In addition to all other information set out in this Document, potential investors should carefully consider the risks described in that section before making a decision to invest in the Company.

22. ADDITIONAL INFORMATION

You should read the whole of this Document and not just rely on the information contained in this Part I.

Your attention is drawn to the information set out in Parts II to IV (inclusive) of this Document which contain further information on the Group.

PART II

RISK FACTORS

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

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

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

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

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

Specific Risks to the Group's business and industry in which it operates

Government actions and legal developments

The Group is subject to significant legal and regulatory oversight. Whilst, following Admission, changes in law or regulation may provide opportunities for the Group to generate business from new and existing clients, such changes could also have a negative impact on the Group's business and operations.

The Group will be affected by legal and regulatory changes within the areas of law in which its operates, such as corporate and employment law, and the Group will be also exposed to legal and regulatory changes. In particular, the Group is reliant on the House of Lords ruling (*Clark v Ardington* (2003)) that non-fault accident victims deemed impecunious have the right to recover credit hire rates from third party insurers. It cannot be predicted with certainty what future legal and regulatory changes may occur nor the resultant effect that they may have upon the Group's business and such changes could conceivably have a detrimental impact upon the Group's financial performance and operations; such changes may result in the delay or abandonment of any proposed acquisitions or other growth opportunities, or require the Group to seek increased working capital, which may materially and adversely affect the Group's business and financial condition.

Government policy and legal and regulatory changes

The Group operates in an industry that has been subject to fundamental regulatory changes in recent years. Further regulatory changes and/or government policy may adversely impact the business. Generally, it is difficult to predict the extent to which policy and regulatory changes that may come into practice might affect the Group. Any such changes may detrimentally affect revenue and/or require increased expenditure impacting the Group's operating margin and potentially the planned expansion and roll out. Any of these may have a materially adverse impact on the Group's operations and financial condition.

Reliance on senior management

The senior management of the Group established the business over the past 20 years and its future success is to an extent dependent on a small number of individuals (including the Directors). The continued involvement of the Group's senior management and Directors is therefore important. Whilst the Company

will take steps to ensure that the knowledge, skills and expertise are shared in order to prevent the company from becoming unduly dependent on individuals, the Group cannot guarantee that it will be able to recruit staff that are suitably qualified on a timely basis to replace those individuals in the event of the departure of any of the Senior Management team. A failure to do so could have a materially adverse impact on the Group's operations and financial condition.

Retention of lawyers

For any business, personnel are a particularly prominent asset contributing to its strength and attractiveness. The Group is heavily reliant on its lawyers to manage and settle the Group's claims. If the Group were to lose the services of key lawyers with high settlement rates, or cease to be able to attract new lawyers, this could significantly impair the strategy and success of the firm from both a reputational and financial standpoint resulting in a material adverse effect on the Group's business operations and financial condition.

Competition

The Group faces significant competition from other companies that offer similar products and services in the broader credit hire and PI sector. Although there are barriers to entry against new entrants to the market, other companies operating in similar markets may look to expand into the direct capture and credit hire space that the Group operates in. There is a risk that this competition may prevent the Group from expanding regionally. This is likely to, in turn, affect the Group's operating profit, cashflows, overall financial performance and share price, any of which may have an adverse effect on the financial position and prospects of the Group.

Reputation and negative press

The Group, to an extent, is reliant on maintaining a strong brand and reputation with the public, its regulator and business partners. If the Group fails to meet the expectations of these parties or if Anexo is subject to negative reviews and press coverage, the reputation of the Group could be significantly damaged. Anexo operates in an industry that in recent years has been subject to negative coverage in the media. Further, Anexo may incur expenses in defending itself against such coverage and claims. Any significant costs incurred and continued negative coverage of the Group could do significant financial and reputational harm to the business.

Recoverability of receivables

Anexo's business model involves the provision of goods and service on credit. The Group normally receives payment for goods and services it has provided once a claim has been pursued and settled or decided in court against the at-fault driver. This normal course of business can lead to a lengthy period before payment is received. Whilst the Group provides for irrecoverable receivables and undertakes measures to limit the length of time for payment to be received, if the settlement timing increases in the industry it will add to the pressure on the Group's working capital. With working capital tied up in unpaid cases, the Group may find itself limited to the extent it can pursue its growth strategy. Further, an increased length in settlement terms is likely to increase the risk of irrecoverable debts.

Fraudulent claims

Due to the nature of the Group's business, it may find itself exposed to fraudulent claims from consumers. Although the Group has historically had a good track record and operates a vetting process prior to taking on a case, it cannot guarantee that some claimants may bypass this process. If this occurs, there is a risk that Anexo will represent clients making fraudulent claims. If at some stage, there is an indication that the Group has handled fraudulent claims it may be exposed to the cost of legal proceedings and suffer an element of financial and reputational damage.

GDPR

The EU General Data Protection Regulation (the "GDPR") came into force on 25 May 2018 and replaces current EU data privacy laws. Although a number of basic existing principles will remain the same, the GDPR introduces new obligations on data controllers and rights for data subjects. The GDPR also introduces new fines and penalties for a breach of requirements, including fines for serious breaches of up to the higher of 4 per cent. of annual worldwide turnover or €20m and fines of up to the higher of 2 per cent. of annual worldwide turnover or €10m (whichever is highest) for other specified infringements. The GDPR identifies a

list of points to consider when imposing fines (including the nature, gravity and duration of the infringement). If there are breaches of GDPR, the Group could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects.

The Group is reliant on the number of Road Traffic Accidents

The Group's business is reliant on RTAs in the UK both to promote its provision of credit hire vehicles and the litigation supporting the recovery of credit hire repairs and legal costs. There is a risk that as road safety, in-car safety and accident prevention technology and the adoption in the future of driverless cars could result in the number of RTAs decreasing significantly. A significant reduction in the number of RTAs would decrease the size of the Group's market and would be likely to have a detrimental effect on the Groups revenue, KPIs and cash flow, all of which would have a materially adverse impact on the Group's financial performance and position.

The Group may not meet its expansion and roll out objectives

Revenue, and in time, cash generation will largely be driven by the Group's ability to handle more cases by means of recruitment of more lawyers through regional office expansion. In order to generate and handle more cases, the Group is reliant on the ability to recruit high quality sales and legal staff. There will be a lead time in recruiting the required number of staff and them becoming fully trained and efficient.

Restriction on holdings of 10 per cent. or more

Since the introduction of the Legal Services Act 2007, there have been restrictions in place on the holding of 'restricted interests' in Licensed Body law firms. For these purposes, a restricted interest is an interest of 10 per cent. or more in the issued share capital of a Licensed Body, including an interest in the ultimate parent company of a Licensed Body.

As Bond Turner is a Licensed Body the restrictions apply to the Company and any holders of 10 per cent. or more of the issued share capital of the Company following Admission. Alan Sellers and Samantha Moss will be the only holders of more than 10 per cent. of the Share Capital of Anexo on Admission and have been approved by the SRA as holders of a restricted interest.

The consent of the SRA will be required should any person who is a non-deemed approved lawyer wish to acquire a holding of 10 per cent. or more in the Company following Admission. It is a criminal offence under the Legal Services Act 2007 for any non-deemed approved lawyers to acquire a restricted interest without first notifying the SRA or to acquire a restricted interest having notified the SRA but before obtaining their consent. Any content from the SRA may have conditions attached. The SRA also has the power to force the divestment of any shareholding which breaches the rule via the courts and/or to suspend or revoke the Licensed Body status of the Company. Should this occur, it would have detrimental effects on Anexo and any investment in the Ordinary Shares of the Company.

Interests of major Shareholders

On Admission the Selling Shareholders, will hold, in aggregate, approximately 77.27 per cent. of the Enlarged Share Capital. Notwithstanding the Relationship Agreement, the Articles and applicable laws and regulations, the Selling Shareholders will be able to exercise significant influence over the Company and the Group's operations, business strategy and those corporate actions that require the approval of Shareholders.

General Risks relating to the Group

Economic conditions

Like all companies Anexo is affected by general economic and political uncertainty. Any economic downturn either globally or locally in the UK where Anexo operates may have an adverse effect on the Group's business. The Group currently generates 100 per cent. of its revenues and income in the UK. As such, the Group is particularly exposed to the economic, political, regulatory and legal and social conditions in the UK. Since the UK's vote to leave the EU in June 2016, both companies and consumers have faced increased uncertainty. It is difficult to predict the effect that the UK leaving the EU will have on future legislation, and regulation in the UK and the impact it will have on the UK's economy. The full effects of the

imminent departure from the EU are unknown and unquantifiable as to whether it may have significant upside, significant downside or be somewhere in between.

Professional liability and regulatory oversight

Anexo takes all precautions it deems necessary to avoid and minimise the risk of and legal proceedings and claims against Group. Whilst the Group will continue to take such measures, it cannot guarantee that any such claims will not be brought against the Group.

As the Group has SRA approval it may be subject to regulatory review and potential legal claims from the regulator that may have a material adverse effect on Anexo's business and financial position.

Uninsured risks

The Group is susceptible to claims from clients in respect of, for example, negligence and breach of contract. The Group seeks to insure business liabilities and assets adequately, but it cannot guarantee in the case of a claim that the insurer will cover all the costs of the claim and make good all of the damage. The Group cannot guarantee that insurance will also be available for all risks that the Group is exposed to on terms that are deemed acceptable to the Board when evaluating the risk. Additionally, a high number of claims may increase the annual premium of any insurance policies taken by the Group.

Insurance risk

IGCA has historically had a low experience of claims due to careful screening of cases that the Group takes on. If the incidence of claims were to rise significantly this would directly impact results.

Force Majeure

The Group's operation may be adversely affected by risks outside of its control including acts of terrorism, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosion or other catastrophes, epidemics or quarantine restrictions.

General risks relating to the Ordinary Shares

Suitability of the Ordinary Shares

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

Volatility in the prices of Ordinary Shares

The Placing Price agreed between the Board and Arden Partners may not be indicative of the market price for the Ordinary Shares following Admission.

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

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

No prior trading market for Ordinary Shares

Prior to Admission, there was no public market for the Ordinary Shares. Admission to trading on AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The Company cannot predict the extent to which investor interest in the Ordinary Shares will lead to the development of a trading market. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

Future issues of Ordinary Shares may result in dilution of existing Shareholders

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

Future performance of the Company cannot be guaranteed

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

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

The Company cannot assure investors that the Company will always retain a quotation on AIM. If the Company fails to do so investors may not have a market for their Ordinary Shares, which could have an adverse impact on the value of those shares. Additionally, if in the future the Company decides to obtain a listing on another exchange, in addition to AIM or as an alternative, this may affect the liquidity of the Ordinary Shares traded on AIM.

Share price effect of sales of Ordinary Shares

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in paragraph 14(e) of Part IV of this Document, or the expectation or belief that such sales of shares may occur.

Higher risk for shares traded on AIM than on the Official list

Application has been made for the Ordinary Shares to be admitted to trading on AIM, a market designated primarily for emerging or smaller companies. The AIM Rules for Companies are less onerous than those of the Official List and an investment in shares that are traded on AIM is likely to carry a higher risk than an investment in shares listed on the Official List.

Legislation and tax status

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

Taxation

The attention of potential investors is drawn to paragraph 15 of Part IV of this Document headed "Taxation". The tax rules and their interpretation relating to an investment in the Company may change during its life. Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this Document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change. Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

Dividends

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

Concert Party Influence

On Admission, the Concert Party will hold approximately 77.27 per cent. of the Enlarged Ordinary Share Capital. Investors may negatively perceive this level and concentration of share ownership due to the influence that the Concert Party may resultantly exert, which may adversely affect the market value of the Ordinary Shares. To illustrate this, since the Concert Party, in aggregate, holds greater than 25 per cent. of the Company's Shares in issue from time to time, and assuming the Concert Party acts together, the Concert Party could prevent the passing of any special resolution which the Company may propose (which would require approval from a majority of at least 75 per cent. of the Shares to be passed). Furthermore, the Concert Party's holding of 75 per cent. of the Enlarged Ordinary Share Capital could allow if, assuming the Concert Party acts together, to pass any ordinary or special resolution, including a resolution to cancel the listing of the Ordinary Shares on AIM.

In addition, for so long as the Concert Party's aggregate interest remains above 50 per cent., it may be able to increase its shareholding without incurring any obligation on any member of the Concert Party under Rule 9 of the City Code to make a general offer to Shareholders, and Shareholders will not benefit from any specific minority shareholder protection other than to the extent prescribed under the relevant law. In particular, Valentina Slater, as the holder of 6.95 per cent. of the Enlarged Ordinary Share Capital will be able to acquire interests in further Ordinary Shares, up to 30 per cent. of the voting rights of the Company, increasing the Concert Party's shareholding in the Company to over 77.27 per cent., without being required to make an offer for the entire issued Ordinary Share capital of the Company.

PART III

HISTORICAL FINANCIAL INFORMATION

Section A – ACCOUNTANT’S REPORT ON THE HISTORICAL FINANCIAL INFORMATION

The following is the full text of a report on the Subsidiaries from RSM Corporate Finance LLP, the Reporting Accountants, to the Directors of Anexo Group plc.



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The Directors

Anexo Group plc
5th Floor, The Plaza
100 Old Mall Street
Liverpool
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15 June 2018

Dear Sirs,

Direct Accident Management Limited, Armstrong Solicitors Limited, Professional and Legal Services Limited, the unincorporated barristerial business of Alan Sellers and IGCA 2013 Limited (the “Subsidiaries”)

We report on the historical financial information of the Subsidiaries set out in Section B of Part III of the Admission Document dated 15 June 2018 (“Admission Document”) of Anexo Group plc (the “Company”). This historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at note 2 to the historical financial information. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by paragraph (a) of Schedule Two to 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 accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by

paragraph (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Admission Document.

Responsibilities

The Directors of the Company are responsible for preparing the historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union, Union, except that certain accounting conventions, commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to Standard for Investment Reporting 2000 issued by the Financial Reporting Council in the United Kingdom, have been applied.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Basis of opinion

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

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

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.

Opinion

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Subsidiaries as at the dates stated and of their results, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2 of the historical financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two to the AIM Rules for Companies 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 item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as if it had been applied by paragraph (a) of Schedule Two to the AIM Rules for Companies.

Yours faithfully

RSM Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

**Section B: HISTORICAL FINANCIAL INFORMATION OF THE GROUP
FOR THE THREE YEARS ENDED 31 DECEMBER 2017**

AGGREGATED STATEMENT OF COMPREHENSIVE INCOME

		<i>The year ended 31 December</i>		
	<i>Note</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
		£	£	£
Revenue	4	44,824,561	38,997,505	36,921,635
Cost of sales	6	(11,206,564)	(8,577,185)	(8,840,638)
Gross profit		<u>33,617,997</u>	<u>30,420,320</u>	<u>28,080,997</u>
Depreciation		(759,718)	(453,094)	(409,195)
Administrative expenses	6	(18,119,255)	(16,480,269)	(15,267,579)
Operating profit		<u>14,739,024</u>	<u>13,486,957</u>	<u>12,404,223</u>
Finance income	8	320,227	328,679	158,557
Finance costs	8	(492,598)	(195,338)	(130,034)
Net financing expense		<u>(172,371)</u>	<u>133,341</u>	<u>28,523</u>
Profit before tax		<u>14,566,653</u>	<u>13,620,298</u>	<u>12,432,746</u>
Taxation	11	(2,159,519)	(2,412,145)	(2,179,309)
Profit and total comprehensive income for the year attributable to the owners of the company		<u><u>12,407,134</u></u>	<u><u>11,208,153</u></u>	<u><u>10,253,437</u></u>

The above results were derived from continuing operations.

AGGREGATED STATEMENT OF FINANCIAL POSITION

		As at 31 December		
	Note	2017 £	2016 £	2015 £
Assets				
Non-current assets				
Property, plant and equipment	12	1,520,466	960,234	432,091
		<u>1,520,466</u>	<u>960,234</u>	<u>432,091</u>
Current assets				
Inventories	13	15,196,364	15,190,449	13,079,167
Trade and other receivables	14	65,142,045	52,681,889	41,692,639
Cash and cash equivalents		202,282	236,341	397,109
		<u>80,540,691</u>	<u>68,108,679</u>	<u>55,168,915</u>
Total assets		<u>82,061,157</u>	<u>69,068,913</u>	<u>55,601,006</u>
Equity and liabilities				
Equity				
Share capital	15	105	105	105
Retained earnings		<u>55,461,844</u>	<u>46,755,916</u>	<u>37,567,921</u>
Equity attributable to the owners of the Company		<u>55,461,949</u>	<u>46,756,021</u>	<u>37,568,026</u>
Non-current liabilities				
Borrowings	16	5,475,470	214,858	231,358
Deferred tax liabilities	11	20,178	20,178	–
		<u>5,495,648</u>	<u>235,036</u>	<u>231,358</u>
Current liabilities				
Borrowings	16	9,773,085	11,223,755	8,244,252
Trade and other payables	19	5,395,482	5,603,841	5,310,835
Corporation tax liability		5,934,993	5,250,260	4,246,535
		<u>21,103,560</u>	<u>22,077,856</u>	<u>17,801,622</u>
Total liabilities		<u>26,599,208</u>	<u>22,312,892</u>	<u>18,032,980</u>
Total equity and liabilities		<u>82,061,157</u>	<u>69,068,913</u>	<u>55,601,006</u>

AGGREGATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to owners of the Company</i>		
	<i>Share capital £</i>	<i>Retained Earnings £</i>	<i>Total £</i>
At 1 January 2015	105	28,918,767	28,918,872
Profit for the year and total comprehensive income	–	10,253,437	10,253,437
Dividends	–	(1,604,283)	(1,604,283)
At 31 December 2015	105	37,567,921	37,568,026
Profit for the year and total comprehensive income	–	11,208,153	11,208,153
Dividends	–	(2,020,158)	(2,020,158)
At 31 December 2016	105	46,755,916	46,756,021
Profit for the year and total comprehensive income	–	12,407,134	12,407,134
Dividends	–	(3,701,206)	(3,701,206)
At 31 December 2017	105	55,461,844	55,461,949

AGGREGATED STATEMENT OF CASH FLOWS

	Note	The year ended 31 December		
		2017 £	2016 £	2015 £
Cash flows from operating activities				
Profit for the year		14,566,653	13,620,298	12,432,746
Adjustments for:				
Depreciation, amortisation and impairment	6	759,718	453,094	409,195
Financial income	8	(320,227)	(328,679)	(158,557)
Financial expense	8	492,598	195,338	130,034
Gain on sale of property, plant and equipment		(30,014)	(11,082)	(74,772)
		<u>15,468,728</u>	<u>13,928,969</u>	<u>12,738,646</u>
Working capital adjustments				
(Increase)/decrease in trade and other receivables		(12,339,156)	(10,839,250)	(7,393,688)
(Increase)/decrease in inventories		(5,915)	(2,111,282)	(2,338,103)
(Decrease)/increase in trade and other payables		(329,359)	427,375	519,804
Cash generated from operations		<u>2,794,298</u>	<u>1,405,812</u>	<u>3,526,659</u>
Interest paid		(492,598)	(195,338)	(130,034)
Tax paid		(1,474,786)	(1,388,242)	(1,450,883)
Net cash from operating activities		<u>826,914</u>	<u>(177,768)</u>	<u>2,104,299</u>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		183,397	85,428	111,119
Acquisition of property, plant and equipment		(1,473,063)	(1,055,583)	(456,965)
Interest received		320,227	328,679	158,557
Net cash from investing activities		<u>(969,439)</u>	<u>(641,476)</u>	<u>(187,289)</u>
Cash flows from financing activities				
Proceeds from new loan		5,608,333	173,434	(354,176)
Repayment of borrowings		–	–	(95,940)
Payment of finance lease liabilities		(425,747)	(343,440)	(114,184)
New finance lease arrangements		1,205,555	649,534	228,385
Dividends paid		(3,701,206)	(2,020,158)	(1,604,283)
Net cash from financing activities		<u>2,686,935</u>	<u>(1,540,630)</u>	<u>(1,940,198)</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,544,410</u>	<u>(2,359,874)</u>	<u>(181,745)</u>
Cash and cash equivalents at 1 January		<u>(10,030,433)</u>	<u>(7,670,559)</u>	<u>(7,488,814)</u>
Cash and cash equivalents at 31 December		<u><u>(7,486,023)</u></u>	<u><u>(10,030,433)</u></u>	<u><u>(7,670,559)</u></u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. The Subsidiaries and Principal Activity

This historical financial information includes the results of Direct Accident Management Limited (“DAMS”), Armstrong Solicitors Limited (“ASL”), Professional and Legal Services Limited (“PALS”), the unincorporated barristerial business of Alan Sellers (“ASB”) and IGCA 2013 Limited (“IGCA”) (together the “Subsidiaries”) for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 (the “Historical Financial Information”) and is prepared for the purposes of the admission of the ordinary shares of Anexo Group Limited (the “Company”), the parent company of the Subsidiaries, to the AIM market operated by London Stock Exchange plc.

The Company was incorporated on 27 March 2018 as Anexo Group plc, a public limited company. As part of a group reconstruction (note 23), the Company is now the parent holding company of the Subsidiaries (together the “Group”).

The principal activity of the Group is the provision of credit hire and associated legal services.

The address of its registered office is 5th Floor, The Plaza, 100 Old Hall Street, Liverpool, United Kingdom, L3 9QJ.

The Historical Financial Information is presented in Pounds Sterling, being the functional currency of the Group.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Subsidiaries were under common control of the same ultimate beneficial owners and effectively operated as a group under common management throughout the period covered by the Historical Financial Information although they did not comprise a group as defined by International Financial Reporting Standards. In order to assist readers of this Historical Financial Information in understanding the trading performance and financial position of the Subsidiaries, the assets, liabilities and results of the individual companies have been aggregated (with intercompany transaction and balances eliminated) under the principles of merger accounting to present the results and balances that would have been shown had the Subsidiaries been under the control of a single common parent throughout the financial periods presented.

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 (“IFRS IC”) as adopted by the European Union (collectively “IFRS”), except as described below.

IFRS does not provide for the preparation of aggregated financial information and accordingly in preparing the Historical Financial Information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to public reporting engagements on historical financial information) issued by the Financial Reporting Council in the UK have been applied. The application of these conventions results in a material departure from IFRS. In all other respects, IFRS has been applied.

Going concern

This historical financial information has been prepared on a going concern basis, which assumes that the Company and its Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. In adopting the going concern basis the Directors have considered the receipt of the net proceeds from the placing of shares by the Company upon admission to AIM.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2018, including IFRS 9 and IFRS 15, have had a material effect on the historical financial information.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2019 and which have not been adopted early, are expected to have a material effect on the historical financial information.

The following standards have not been applied in preparing the Historical Financial Information:

- IFRS 16 – Leases. This is effective for year ended 31 December 2020. The Group is assessing the impact of IFRS 16 which, based upon leases presently held by the Group, is likely to increase Group EBITDA and Group net interest charges by similar amounts with an immaterial effect on profit before taxation. The amounts to be included under the standard into fixed assets and net debt respectively will be more definitively assessed nearer the time and are dependent upon lease agreements that will be in existence at that point.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. There is only one geographical segment, being the United Kingdom.

The executive directors are of the opinion that the Group has two distinct reportable segments which include those of credit hire and legal services.

Revenue

The Group provide the following key services to customers:

- provision of a credit hire vehicle to a client involved in a non-fault accident; and
- provision of associated legal services to support that clients claim.

Revenue derived from the supply of credit hire vehicles is recognised from the date a vehicle is placed on hire, exclusive of VAT and net of any bad debt provisions. Vehicles are only supplied and remain on hire after a strict validation process that assesses to the Group's satisfaction that liability for the accident rests with third party. Revenue is accrued on a daily basis, after adjustment on a portfolio basis for an estimation of the recovery of those credit hire charges. The bad debt provision is calculated in relation to credit hire debtors on a portfolio basis by reference to historical settlement rates.

Revenue from the rendering of legal services to customers is recognised upon delivery of the service to the customer. The majority of revenue from services is comprised of fees billed, with the remaining amount representing movement in work in progress. Revenue is recognised to the extent that it is highly probable that the economic benefit will flow to the Group and that revenue can be reliably measured. When the outcome cannot be reliably estimated, revenue is not measured in respect of those matters.

Revenue includes the difference in work in progress value between reporting periods. The legal practice operates on the basis of No Win – No Fee conditional fee arrangements, whereby fees are earned only in the event of a successful outcome of a customer's claim. In some cases, fees may be fixed and determined depending on the stage at which the matter concludes. For the majority of claims, fees are fixed at a specified sum plus a percentage of damages recovered.

The practice identified individual contracts at a similar stage of completion, meaning the rights and obligations contained in each contract do not vary materially from one contract to another in each category of work typically performed for clients. The measurement of this component of revenue is based upon:

- the estimate of fees upon completion of the matter;
- the probability of success of the matter; and
- the percentage of completion of the matter.

Accrued Income

Revenue from credit hire is accrued on a daily basis, after adjustment on a portfolio basis for an estimation of the recovery of those credit hire charges. As a result of credit hire turnover being recognised in the period the hire is provided, accrued income is recognised for credit hire and associated services provided that it has not yet been invoiced or is still on hire at the year-end date. Upon conclusion of an individual hire, the claim is invoiced and accrued income associated with that hire written back to nil.

Work in progress

Work in progress represents client cases which have not yet reached a conclusion and is carried at a value that includes profit of prescribed fixed fees at the earliest stage post issue of proceedings. The reasoning behind this is that credit hire claims are litigious and require the issue of court proceedings prior to settlement. The value is measured only includes the base fixed fee, and does not provide for any percentage uplift which will be payable in addition in every case that settles. Value is only attributed to cases which are less than three years old.

Any uncertainty around the fees receivable under a No Win – No Fee contract are generally only resolved when a matter is concluded however in a large number of cases liability is not in dispute, and in cases where liability is disputed the cases are so vigorously vetted liability is unlikely to be an issue. In recognising revenue within the legal services business, the Group has sufficient historical experience in similar contracts in order to be able to estimate the expected outcome of a group of existing contracts reliably, revenue from the fees from contracts is estimated using the expected value method. The estimated amount of variable consideration is based on the expected fee for the nature of the legal service with reference to historical fee levels and relative rates of successful and unsuccessful outcomes.

Consideration is only recognised when it is possible that economic benefits will flow to the Group and that the revenue and costs associated can be measured reliably.

Disbursements

A provision for the expected irrecoverability of disbursement balances is made by reference to the duration since the last transaction posted to the individual ledgers, plus any other necessary provision for balances considering post period end information. Provisions for disbursements written off is charged to administration expenses in the income statement.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information and on unused tax losses or tax credits available to the Group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amounts of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in its acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Motor vehicles	50% straight line
Property improvements	10% straight line
Computer equipment	20% to 33% straight line
Fixtures and fittings	20% straight line or reducing balance

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 underlying contractual arrangement. Financial instruments are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value. Financial instruments cease to be recognised at the date when the Group ceases to be party to the contractual provisions of the instrument.

Financial assets are included on the Statement of financial position as trade and other receivables or cash and cash equivalents.

(a) Trade receivables

Trade receivables are stated at their original invoiced value, as the interest that would be recognised from discounting the future cash receipts over the short credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts. These estimates are derived from historical trends in settlement and recovery rates.

(b) Trade payables

Trade payables are stated at their original invoiced value, as the interest that would be recognised from discounting the future cash payments over the short credit period is not considered to be material.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from clients for services performed in the ordinary course of business.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Dividends

Drawings made from ASB have been treated as dividends for the purposes of the Historical Financial Information.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the historical financial information are described below.

Recoverability of trade receivables

Due to the nature of the business, there are high levels of trade receivables at the year end, and therefore a risk that some of these balances may be irrecoverable. A review of the Groups' policy for accounting for bad debts is carried out by the finance director where debts are assessed and provided against when the recoverability of these balances is considered to be uncertain. An analysis of trade receivables that are not impaired is included in note 14.

Amounts recoverable on contracts (Work in Progress and Revenue)

The Group carries an element of work in progress, the valuation of which reflects the estimated level of recovery on successful settlement by reference to historical recovery rates or the lowest level of fees payable by reference to the stage of completion of those cases. Where we have not had an admission of liability no value is attributed to those case files.

4. Revenue

The Group's revenue for the year from continuing operations is as follows:

	<i>The year ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Rendering of services	44,824,561	38,997,505	36,921,635
	<u>44,824,561</u>	<u>38,997,505</u>	<u>36,921,635</u>

In accordance with IFRS 8, no single customer represented more than 10 per cent. of revenue for any of the years ended 31 December 2015, 2016 or 2017. The whole of the revenue is attributable to activities carried out in the United Kingdom.

5. Segmental reporting

The group's reportable segments are as follows:

- the provision of credit hire vehicles to individuals who have had a non-fault accident, and
- associated legal services in the support of the individual provided with a vehicle by the Group and other legal service activities.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

	<i>The year ended 31 December 2017</i>		
	<i>Credit Hire £</i>	<i>Legal Services £</i>	<i>Aggregated £</i>
Revenues			
Third Party	24,351,835	20,472,726	44,824,561
Total revenues	<u>24,351,835</u>	<u>20,472,726</u>	<u>44,824,561</u>
Profit before taxation	<u>7,690,822</u>	<u>6,875,831</u>	<u>14,566,653</u>
Depreciation and amortisation	<u>691,699</u>	<u>68,019</u>	<u>759,718</u>
Segment assets	<u>52,175,575</u>	<u>29,885,582</u>	<u>82,061,157</u>
Capital expenditure	<u>1,415,574</u>	<u>57,489</u>	<u>1,473,063</u>
Segment liabilities	<u>14,908,652</u>	<u>11,690,556</u>	<u>26,599,208</u>

	<i>The year ended 31 December 2016</i>		
	<i>Credit Hire £</i>	<i>Legal Services £</i>	<i>Aggregated £</i>
Revenues			
Third Party	22,439,459	16,558,046	38,997,505
Total revenues	<u>22,439,459</u>	<u>16,558,046</u>	<u>38,997,505</u>
Profit before taxation	<u>8,986,156</u>	<u>4,634,142</u>	<u>13,620,298</u>
Depreciation and amortisation	<u>410,024</u>	<u>43,070</u>	<u>453,094</u>
Segment assets	<u>43,898,006</u>	<u>25,170,907</u>	<u>69,068,913</u>
Capital expenditure	<u>883,715</u>	<u>171,868</u>	<u>1,055,583</u>
Segment liabilities	<u>12,881,317</u>	<u>9,431,575</u>	<u>22,312,892</u>

	<i>The year ended 31 December 2015</i>		
	<i>Credit</i>	<i>Legal</i>	<i>Aggregated</i>
	<i>Hire</i>	<i>Services</i>	
	£	£	£
Revenues			
Third Party	20,868,109	16,053,526	36,921,635
Total revenues	<u>20,868,109</u>	<u>16,053,526</u>	<u>36,921,635</u>
Profit before taxation	<u>6,893,784</u>	<u>5,538,962</u>	<u>12,432,746</u>
Depreciation and amortisation	<u>355,359</u>	<u>53,836</u>	<u>409,195</u>
Segment assets	<u>35,044,594</u>	<u>20,556,412</u>	<u>55,601,006</u>
Capital expenditure	<u>453,465</u>	<u>3,500</u>	<u>456,965</u>
Segment liabilities	<u>11,233,497</u>	<u>6,799,483</u>	<u>18,032,980</u>

6. Expenses by nature

Cost of sales are comprised of:

	<i>The year ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Staff costs	1,384,509	1,272,549	1,100,385
Operating lease expense	3,137,299	2,915,162	2,808,690
Other cost of sales	6,684,756	4,389,474	4,931,563
	<u>11,206,564</u>	<u>8,577,185</u>	<u>8,840,638</u>

Administrative expenses are comprised of:

	<i>The year ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Staff costs	8,635,911	8,290,439	7,625,404
Operating lease expense	662,796	400,096	406,302
Other administrative expenses	8,820,548	7,790,214	7,236,053
	<u>18,119,255</u>	<u>16,480,269</u>	<u>15,267,579</u>

7. Operating profit

Operating profit is arrived at after charging:

	<i>The year ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Depreciation expense	759,718	453,094	409,195
Operating lease expense	2,533,575	2,434,730	2,345,214
Gain on disposal of property, plant and equipment	<u>(40,904)</u>	<u>(33,557)</u>	<u>(74,772)</u>

8. Finance income and costs

	<i>The year ended 31 December</i>		
	2017	2016	2015
	£	£	£
Finance income			
Interest income on bank deposits	–	22	14
Other interest receivable	320,227	328,657	158,543
	<u>320,227</u>	<u>328,679</u>	<u>158,557</u>
Finance costs			
Interest on bank overdrafts and borrowings	(323,812)	(84,159)	(57,689)
Interest on obligations under finance leases	(95,373)	(28,448)	(5,488)
Interest expense on other financing liabilities	(14,601)	(8,711)	(3,378)
Other interest payable	(58,812)	(74,020)	(63,479)
Total finance costs	<u>(492,598)</u>	<u>(195,338)</u>	<u>(130,034)</u>
Net finance costs	<u>(172,371)</u>	<u>133,341</u>	<u>28,523</u>

9. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<i>The year ended 31 December</i>		
	2017	2016	2015
	£	£	£
Wages and salaries	9,057,642	8,629,619	7,898,435
Social security costs	902,997	874,415	776,311
Pension costs, defined contribution scheme	59,781	58,954	51,043
	<u>10,020,420</u>	<u>9,562,988</u>	<u>8,725,789</u>
Split as follows:			
Cost of sales	1,384,509	1,272,549	1,100,385
Administrative costs	8,635,911	8,290,439	7,625,404
	<u>10,020,420</u>	<u>9,562,988</u>	<u>8,725,789</u>

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

	<i>The year ended 31 December</i>		
	2017	2016	2015
	No	No	No
Distribution staff	68	65	62
Administrative staff	283	264	247
	<u>351</u>	<u>329</u>	<u>309</u>

10. Directors' and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Group.

The directors' and key management remuneration for the year was as follows:

	<i>The year ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Wages and salaries	742,431	691,602	702,524
Social security costs	95,947	91,248	91,261
Pension costs, defined contribution scheme	1,159	1,110	1,093
Total short terms employee benefits	<u>839,537</u>	<u>783,960</u>	<u>794,878</u>

In respect of the highest paid director:

	<i>The year ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Remuneration	<u>289,572</u>	<u>231,633</u>	<u>223,762</u>

11. Corporation tax

Tax charged in the income statement:

	<i>The year ended 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Current taxation			
UK corporation tax	2,176,351	2,442,351	2,159,391
UK corporation tax adjustment to prior periods	(16,832)	(50,384)	19,918
	<u>2,159,519</u>	<u>2,391,967</u>	<u>2,179,309</u>
Deferred taxation			
Arising from the origination and reversal of temporary differences	–	20,178	–
Tax expense in the income statement	<u>2,159,519</u>	<u>2,412,145</u>	<u>2,179,309</u>

The actual tax charge is higher than the standard rate of corporation tax in the UK applied to the profit before tax (2017 – 19 per cent., 2016 – 20 per cent., 2015 – 20 per cent.).

The differences are reconciled below:

	<i>The year ended 31 December</i>		
	2017	2016	2015
	£	£	£
Profit before tax	14,566,653	13,620,298	12,432,746
Corporation tax at standard rate	1,974,832	2,436,862	2,121,578
Effect of expenses not deductible for tax purposes	198,509	16,397	28,872
Effect of capital allowances and depreciation	(684)	8,611	(38,637)
Rounding of tax charge	–	–	2,096
Over/(under) provision of tax charge	(6,473)	659	45,482
Over/(under) provision of tax charge in prior year	(16,832)	(50,384)	19,918
Effect of different UK tax rates on some earnings	10,167	–	–
Total tax charge	<u>2,159,519</u>	<u>2,412,145</u>	<u>2,179,309</u>

12. Property, plant and equipment

	<i>Property improvements</i>	<i>Fixtures, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost or valuation					
At 1 January 2014	270,701	250,595	1,050,666	570,070	2,142,032
Additions	–	3,289	443,668	10,008	456,965
Disposals	–	–	(395,763)	–	(395,763)
At 31 December 2015	<u>270,701</u>	<u>253,884</u>	<u>1,098,571</u>	<u>580,078</u>	<u>2,203,234</u>
Additions	17,094	96,184	877,447	64,858	1,055,583
Disposals	–	(109,139)	(270,907)	–	(380,046)
At 31 December 2016	<u>287,795</u>	<u>240,929</u>	<u>1,705,111</u>	<u>644,936</u>	<u>2,878,771</u>
Additions	65,000	54,885	1,328,778	24,500	1,473,163
Disposals	–	–	(800,214)	–	(800,214)
At 31 December 2017	<u>352,795</u>	<u>295,814</u>	<u>2,233,675</u>	<u>669,436</u>	<u>3,551,720</u>
Depreciation					
At 1 January 2015	243,510	175,144	813,729	471,560	1,703,943
Charge for year	7,591	27,113	347,024	42,377	424,105
Eliminated on disposal	–	–	(359,416)	2,511	(356,905)
At 31 December 2015	<u>251,101</u>	<u>202,257</u>	<u>801,337</u>	<u>516,448</u>	<u>1,771,143</u>
Charge for year	9,062	18,612	387,092	38,328	453,094
Eliminated on disposal	–	(108,020)	(197,680)	–	(305,700)
At 31 December 2016	<u>260,163</u>	<u>112,849</u>	<u>990,749</u>	<u>554,776</u>	<u>1,918,537</u>
Charge for the year	9,380	45,788	664,034	40,516	759,718
Eliminated on disposal	–	–	(647,001)	–	(647,001)
At 31 December 2017	<u>269,543</u>	<u>158,637</u>	<u>1,007,782</u>	<u>595,292</u>	<u>2,031,254</u>
Carrying amount					
At 31 December 2017	<u>83,252</u>	<u>137,177</u>	<u>1,225,893</u>	<u>74,144</u>	<u>1,520,466</u>
At 31 December 2016	<u>27,632</u>	<u>128,080</u>	<u>714,362</u>	<u>90,160</u>	<u>960,234</u>
At 31 December 2015	<u>19,600</u>	<u>51,627</u>	<u>297,234</u>	<u>63,630</u>	<u>432,091</u>

Finance leases and hire purchase contracts

Included within the carrying value of property, plant and equipment are the following amounts relating to assets held under finance leases or hire purchase agreements:

	<i>Motor vehicles</i>
	£
At 31 December 2017	979,073
At 31 December 2016	556,842
At 31 December 2015	105,760

13. Inventories

	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Work in progress	15,196,364	15,190,449	13,079,167
	<u>15,196,364</u>	<u>15,190,449</u>	<u>13,079,167</u>

14. Trade and other receivables

	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Trade receivables	151,517,888	125,518,956	103,536,070
Provision for impairment of trade receivables	(95,627,665)	(79,258,669)	(64,627,369)
Net trade receivables	55,890,223	46,260,287	38,908,701
Prepayments and accrued income	1,001,736	1,335,088	787,033
Directors loan account	1,852,650	1,413,731	297,410
Shareholders loan account	2,791,306	1,756,812	708,899
Other debtors	3,606,130	1,915,971	990,596
	<u>65,142,045</u>	<u>52,681,889</u>	<u>41,692,639</u>

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment of financial assets note.

Trade receivables stated above include amounts due at the end of the reporting period for which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there has been no significant change in credit quality. Average gross debtor days calculated on a count back basis were 692 at 31 December 2017, 689 at 31 December 2016 and 681 at 31 December 2015.

Age of trade receivables that are not impaired

	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Within 1 year	33,681,618	27,771,329	23,220,504
1 to 2 years	12,371,199	10,237,792	8,605,866
2 to 3 years	5,917,457	4,800,516	4,095,415
3 to 4 years	3,481,079	3,142,497	2,547,370
Over 4 years	438,870	308,153	439,546
	<u>55,890,223</u>	<u>46,260,287</u>	<u>38,908,701</u>
Average age (days)	<u>692</u>	<u>689</u>	<u>681</u>

The provision for impairment of trade receivables (analysed below) is the difference between the carrying value and the present value of the expected proceeds.

15. Allotted, called up and fully paid shares

	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
105 Ordinary shares of £1 each	105	105	105
	<u>105</u>	<u>105</u>	<u>105</u>

16. Borrowings

	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Non-current loans and borrowings			
Bank loans and overdrafts	4,900,000	–	–
Obligations under finance lease and hire purchase contracts	437,915	214,858	36,759
Other borrowings	137,555	–	194,599
	<u>5,475,470</u>	<u>214,858</u>	<u>231,358</u>
Current loans and borrowings			
Bank loans and overdrafts	7,688,305	10,266,774	8,067,668
Obligations under finance lease and hire purchase contracts	825,343	268,592	176,584
Other borrowings	1,259,437	688,389	–
	<u>9,773,085</u>	<u>11,223,755</u>	<u>8,244,252</u>

The company uses an invoice discounting facility which is secured on the trade debtors of Direct Accident Management Limited.

The bank loan is secured by way of a fixed charge dated 25 January 2017, over all present and future property, assets and rights (including uncalled capital) of Armstrong Solicitors Limited. The loan is structured as a revolving credit facility which is committed for a two-year period, until January 2019, with no associated repayments due before that date. Interest is charged at 3.75 per cent. over LIBOR.

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note.

The Group's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment of financial assets note.

17. Obligations under leases and hire purchase contracts

Finance leases

The total future value of minimum lease payments under finance leases and hire purchase contracts are as follows:

	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Not later than 1 year	825,343	268,592	171,420
Later than 1 and not later than 5 years	437,915	214,858	5,936
	<u>1,263,258</u>	<u>483,450</u>	<u>177,356</u>

Operating leases

The Group lease a number of office and other premises as well as a proportion of the motor vehicle fleet under non-cancellable operating lease agreements. The total future value of minimum lease payments is as follows:

	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Operating leases			
Not later than 1 year	1,900,901	1,130,056	1,171,185
Later than 1 and not later than 5 years	2,116,377	1,127,610	83,048
	<u>4,017,278</u>	<u>2,257,666</u>	<u>1,254,233</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,506,575 (2016 – £2,407,730, 2015 – £2,318,214).

18. Pension and other schemes

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £59,781 (2016 – £58,954, 2015 – £51,043).

19. Trade and other payables

	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Trade payables	2,494,666	2,308,935	2,189,916
Accruals and deferred income	806,784	572,195	540,184
Social security and other taxes	1,424,256	1,137,982	1,283,745
Other creditors	669,776	1,584,729	1,296,990
	<u>5,395,482</u>	<u>5,603,841</u>	<u>5,310,835</u>

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note.

The Group's exposure to market and liquidity risks related to trade and other payables is disclosed in the financial risk management and impairment of financial assets note. The Group pays its trade payables on terms and as such trade payables are not yet due at the balance sheet dates.

20. Related party disclosures

The following related party transactions were undertaken during the period:

A director and shareholder, was loaned amounts totalling £111,691 (2016: withdrew amounts totalling £Nil, 2015: was loaned amounts totalling £17,732). The balance receivable at the year-end was £409,101 (2016: £297,410, 2015: £297,410).

A shareholder was loaned amounts totalling £1,040,000 and introduced amounts totalling £5,506 (2016: was loaned £1,073,500 and introduced amounts totalling £25,587, 2015: was loaned £442,000 and introduced amounts totalling £231,699). The balance receivable at the year-end was £2,791,306 (2016: £1,756,812, 2015: £708,899).

A director, charged for services totalling £189,692 and received payments totalling £182,358 (2016: charged for services totalling £153,918 and received payments totalling £162,519, 2015: charged for services totalling £152,239 and received payments totalling £173,016). The balance payable at the year-end was £12,497 (2016: £5,163, 2015: £12,904). All amounts are exclusive of VAT.

A director and shareholder was loaned £775,376 and introduced £8,000 (2016: £1,818,921, introduced £508,000). As at the 31 December 2017 the balance receivable was £1,883,698 (2016: £1,116,322 receivable, 2015: £194,599 repayable).

A total of £3,251,206 (2016: £1,520,158, 2015: £1,552,983) was withdrawn from ASB. For the purposes of the Historical Financial Information, these drawings have been disclosed as dividends.

The Group has entered into formal leases and occupies premises owned by a shareholder. Rent and service charges of £172,500, £172,500 and £172,500 were charged during the years ended 31 December 2015, 2016 and 2017 respectively under these arrangements. At the balance sheet date the amounts due under these lease arrangements to the shareholder were £Nil, £Nil and £Nil respectively.

21. Financial instruments

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in note 2.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

Loans and receivables

	<i>Held at amortised cost</i>		
	<i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Cash and cash equivalents	202,282	236,341	397,109
Trade and other receivables	64,140,309	51,346,801	40,905,606
Work in progress	15,196,364	15,190,449	13,079,167
	<u>79,538,955</u>	<u>66,773,591</u>	<u>54,381,882</u>

Financial liabilities

	<i>Held at amortised cost</i> <i>As at 31 December</i>		
	<i>2017</i>	<i>2016</i>	<i>2015</i>
	£	£	£
Trade and other payables	4,588,698	5,031,646	4,770,651
Borrowings	15,248,555	11,438,613	8,281,011
	<u>19,837,253</u>	<u>16,470,259</u>	<u>13,051,662</u>

There is no significant difference between the fair value and carrying value of financial instruments.

22. Financial risk management and impairment of financial assets

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the company's finance function. The board receives regular reports from the Finance Director through which it reviews the effectiveness of processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk and impairment

Credit risk arises principally from the Group's trade and other receivables. It is the risk that the counter party fails to discharge its obligation in respect of the instrument. The maximum exposure to credit risk equals the carrying value of these items in the financial statements. Credit risk with cash and cash equivalents is reduced by placing funds with banks with high credit ratings.

Liquidity risk

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Board receives cash flow projections on a regular basis which are monitored regularly. The Board will not commit to material expenditure in respect of its ongoing development programme prior to being satisfied that sufficient funding is available to the Group to finance the planned programmes.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	<i>Up to 12 months</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>Total</i>
	£	£	£	£
At 31 December 2017				
Trade and other payables	4,588,698	–	–	4,731,698
Loans and borrowings	9,773,085	5,475,470	–	15,498,555
Total	<u>14,361,783</u>	<u>5,475,470</u>	<u>–</u>	<u>20,230,253</u>

	<i>Up to 12 months £</i>	<i>Between 1 and 2 years £</i>	<i>Between 2 and 5 years £</i>	<i>Total £</i>
At 31 December 2016				
Trade and other payables	5,031,646	–	–	5,031,646
Loans and borrowings	11,223,755	214,858	–	11,438,613
Total	<u>16,255,401</u>	<u>214,858</u>	<u>–</u>	<u>16,470,259</u>
	<i>Up to 12 months £</i>	<i>Between 1 and 2 years £</i>	<i>Between 2 and 5 years £</i>	<i>Total £</i>
At 31 December 2015				
Trade and other payables	4,770,651	–	–	4,770,651
Loans and borrowings	8,244,252	36,759	–	8,281,011
Total	<u>13,164,903</u>	<u>36,759</u>	<u>–</u>	<u>13,051,662</u>

Interest rate risk and fair value risk

There is no significant interest rate risk in respect of temporary surplus funds invested in deposits and other interest-bearing accounts with financial institutions as the operations of the Group are not dependent on the finance income received.

Capital risk management

The Group considers its capital to comprise its ordinary share capital and retained profits as its equity capital. In managing its capital, the Group's primary objective is to provide return for its equity shareholders through capital growth and future dividend income. The Group's policy is to seek to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues or the issue of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Details of the Group's capital are disclosed in the Statement of Changes in Equity.

There have been no other significant changes to the Group's management objectives, policies and procedures in the year nor has there been any change in what the Group considers to be capital.

Currency risk

The Group is not exposed to any significant currency risk. The Group also manages its currency exposure by retaining its cash balances in Sterling.

23. Post Balance Sheet Events

On 12 June 2018, Edge Holdings was incorporated.

On 15 June 2018, AMS agreed to acquire Alan Sellers' advocacy business in exchange for ordinary shares in AMS.

On 15 June 2018, Edge Holdings agreed to acquire AMS in exchange for the issue of shares in Edge Holdings, conditional upon, and with effect from immediately prior to, Admission.

On 15 June 2018, Edge Holdings agreed to acquire (i) the entire issued share capital of IGCA and PALS from Alan Sellers in exchange for shares in Edge Holdings and (ii) the entire issued share capital of DAMS from Alan Sellers and Valentina Slater in exchange for shares in Edge Holdings and cash (such cash to be settled following Admission), in each case, conditional upon, and with effect from immediately prior to, Admission.

On 15 June 2018, the Company acquired the entire issued share capital of Edge Holdings from Alan Sellers, Samantha Moss and Valentina Slater in exchange for shares in Edge Holdings, conditional upon, and with effect from immediately prior to, Admission.

On 15 June 2018, the Company agreed to acquire the entire issued share capital of ASL, since renamed Bond Turner Limited, from Samantha Moss in exchange for the issue of shares in the Company to Samantha Moss and cash (such cash to be settled following Admission), conditional upon, and with effect from immediately prior to, Admission.

The Company will be the ultimate holding company of DAMS, IGCA, PALS, Bond Turner and AMS.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and the Directors, whose names and functions are set out on page 9 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), 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. All of the Directors accept individual and collective responsibility for compliance with the AIM Rules.

2. THE COMPANY

- (a) The Company was incorporated in England and Wales on 28 March 2018 under the name of Anexo Group Plc with registered number 11278719. Its registered office is at 5th Floor, The Plaza, 100 Old Hall Street, Liverpool, Merseyside, United Kingdom, L3 9QJ. It is domiciled in England.
- (b) The telephone number of the Company's principal place of business is 0151 236 3737.
- (c) On 15 June 2018 the Company agreed to acquire the entire issued share capital of Edge Holdings and the entire issued share capital of Bond Turner resulting in the Company becoming the parent company of the Group, conditional upon, and with effect from immediately prior to, Admission.

3. THE GROUP AND ITS PRINCIPAL ACTIVITIES

- (a) The Company's principal activity is to act as a holding company. The Company, on Admission, will be the holding company of Edge Holdings, Direct Accident Management Limited, Bond Turner Limited, Professional and Legal Services Limited, IGCA 2013 Limited and AMS Legal Services Limited. The Company's activities and operations are carried on by the Members of the Group, which will be as follows:

<i>Name</i>	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Issued share capital (fully paid)</i>	<i>Interest held by the Company</i>
Edge Vehicles Rentals Group Limited	Jersey	Intermediate holding company	299,990 A ordinary shares of shares of £0.0001 10,000 B ordinary shares of £1 each	100% ¹
Direct Accident Management Limited	England & Wales	Provision of replacement hire vehicles	100 ordinary shares of £1 each	100%
Bond Turner Limited	England & Wales	Legal services	2 ordinary shares of £1 each	100%
Professional and Legal Services Limited	England & Wales	Expert witness and third-party reporting business	2 ordinary shares of £1 each	100%
IGCA 2013 Limited	England & Wales	Provides cost protection in relation to unsuccessful claims	1 ordinary share of £1	100%
AMS Legal Services Limited	England & Wales	Provides advocacy services	100 ordinary shares of £1	100%

1. Participants in the MIP will have an interest in non-voting shares in Edge Holdings.

- (b) On 16 May 2018, Bond Turner Limited obtained an Alternative Business Structure licence from the Solicitors Regulation Authority. This allows non-lawyers to own and invest in law firms, in accordance with the Legal Services Act 2007.

4. REORGANISATION OF THE GROUP

In preparation for the Placing and Admission, the Group undertook the following steps to reorganise the Group's structure:

- (a) On 12 June 2018, Edge Holdings was incorporated. On 23 May 2018, AMS Legal Services Limited was incorporated.
- (b) Pursuant to an asset transfer agreement between Alan Sellers and AMS dated 15 June 2018 Alan Sellers agreed to transfer his advocacy business to AMS in exchange for ordinary shares in AMS (the "**AS Business Transfer**"). The transfer is conditional upon, and shall occur immediately prior to, completion of the transaction described in (c) below. The business is being transferred as a going concern. Alan Sellers has agreed to indemnify AMS for any liabilities arising with respect to the advocacy business prior to the date of the business transfer and AMS has agreed to indemnify Alan Sellers for any liabilities arising in respect of the advocacy business following the date of the transfer.
- (c) Pursuant to a share exchange agreement between Alan Sellers and Valentina Slater (as sellers) and Edge Holdings (as buyer) dated 15 June 2018, Edge Holdings has agreed to acquire:
 - (i) the entire issued share capital of IGCA, AMS and PALS from Alan Sellers in consideration for the issue to him of ordinary shares in Edge Holdings and cash; and
 - (ii) the entire issued share capital of Direct Accident from Alan Sellers and Valentina Slater in consideration for the issue to them of ordinary shares in Edge Holdings and cash

(such cash in the case of each of (i) and (ii) to be settled following Admission as referred to in paragraph (e) below) (the "**Subsidiary Transfers**").

The share exchange shall occur immediately after completion of the AS Business Transfer and prior to Admission, and is conditional upon Admission. Alan Sellers and Valentina Slater have given customary warranties to Edge Holdings with respect to title to, and capacity to transfer, the shares being transferred to Edge Holdings.

- (d) Pursuant to a share exchange agreement between Alan Sellers and Valentina Slater (as sellers) and the Company (as buyer) dated 15 June 2018, the Company has agreed to acquire the entire issued share capital of Edge Holdings from Alan Sellers and Valentina Slater in consideration for the issue to them of Ordinary Shares. The share exchange shall occur immediately after completion of the Subsidiary Transfers and prior to and conditional upon Admission. Alan Sellers and Valentina Slater have given customary warranties to Edge Holdings with respect to title to, and capacity to transfer, the shares in Edge Holdings being transferred to the Company.
- (e) Pursuant to a share exchange agreement between Samantha Moss (as seller) and the Company (as buyer) dated 15 June 2018, the Company shall acquire the entire issued share capital of Bond Turner from Samantha Moss in consideration for the issue of Ordinary Shares to Samantha Moss and cash (such cash to be settled following Admission). The share exchange shall occur prior to, and conditional upon, Admission. Samantha Moss has given customary warranties to the Company with respect to title to the shares in Bond Turner being transferred to the Company.
- (f) Following Admission, the Company shall from the proceeds of the Placing (i) settle the balance due to Samantha Moss pursuant to the transaction described in paragraph (e) above and (ii) lend sufficient funds to Edge Holdings such that Edge Holdings can settle the balance due to Alan Sellers and Valentina Slater pursuant to the transaction described in paragraph (c)(ii) above. The total received by Selling Shareholders will total £15 million, less commission as set out in paragraph 13 of this Part IV.

5. SHARE CAPITAL

- (a) The Company does not have an authorised share capital and was incorporated with a share capital of £50,000 divided into 50,000 ordinary shares of £1.00 each. Prior to Admission the Company subdivided the Ordinary Shares of £1 into shares with a nominal value of 0.05 pence and will allot further Ordinary Shares pursuant to the reorganisation referred to in paragraph 4 of this Part IV.

- (b) Set out below are details of the issued share capital of the Company (i) immediately before Admission and (ii) as it will be immediately following the Placing and Admission:

IMMEDIATELY BEFORE ADMISSION

FOLLOWING ADMISSION

<i>Class of Share</i>	<i>Number</i>	<i>Aggregate Nominal Value</i>	<i>Class of Share</i>	<i>Number</i>	<i>Aggregate Nominal Value</i>
Ordinary Shares	85,000,010	£42,500	Ordinary Shares	110,000,000	£55,000

- (c) The Placing Shares will be issued pursuant to resolutions of the Company passed on 14 June 2018 which:
- (i) generally and unconditionally authorised the directors in accordance with section 551 of the Act to allot Ordinary Shares up to an aggregate nominal amount of:
 - (x) £12,500 in respect of the Placing Shares; and
 - (y) generally following Admission up to £18,333.33 (representing one third of the issued Ordinary Share capital on Admission),
 such authority to expire on the 15th month of the date of passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the Company; and
 - (ii) empower the directors pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act), pursuant to the authority referred to in paragraph 3.6(b)(i) above, as if section 561(1) of the Act did not apply to any such allotment, provided that this power:
 - (x) is limited to the allotment of equity securities with an aggregate nominal value of:
 - (A) £12,500 in respect of the Placing Shares; and
 - (B) otherwise £18,333.33 (representing one third of the issued Ordinary Share capital on Admission); and
 - (y) shall expire 15 months after the passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the Company.
- (d) Save for the allotments referred to in paragraph 5(a) and 5(b) above, no capital of the Company has been allotted for cash or for a consideration other than cash.
- (e) Save for the issue of the Placing Shares, and the potential issue of Ordinary Shares to satisfy the MIP, no capital of the Company is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.
- (f) The Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.
- (g) The Ordinary Shares are in registered form and capable of being held in uncertificated form. None of the Ordinary Shares is being marketed or made available in whole or in part to the public in conjunction with the applications for Admission other than pursuant to the Placing.
- (h) The Ordinary Shares to be issued pursuant to the Placing are being issued at a price of 100 pence per share, representing a premium of 99.95 pence over the nominal value of 0.05 pence each. The expected issue date is 20 June 2018.
- (i) The currency of the issue is pounds sterling.

6. SIGNIFICANT SHAREHOLDERS

Save as set out below, the Company is not aware of any person who, immediately prior to and immediately following Admission, is directly or indirectly interested in 3 per cent. or more of the issued share capital or voting rights of the Company:

Name	Immediately prior to Admission – Ordinary Shares	Upon Admission – Ordinary Shares	Percentage of Enlarged Ordinary Share Capital
Alan Sellers	38,675,004	38,675,000	35.16
Samantha Moss	38,675,003	38,675,000	35.16
Valentina Slater	7,650,003	7,650,000	6.95

7. ARTICLES OF ASSOCIATION

(a) Articles

On 14 June 2018 the Company by means of a special resolution adopted new articles of association which contain (amongst others) provisions to the following effect:

Objects

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

Variation of rights

Where the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares may, subject to the Companies Act 2006 (the “**Act**”), and any other act relating to companies be varied or abrogated in such a manner as those rights may provide for or, where no such provision is made:

- with the consent of the holders of not less than three fourths in the nominal value of the issued shares of that class; or (excluding any shares of that class held as treasury shares);
- with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Unless otherwise expressly provided by the rights attached to any class of shares, the rights attached to any shares or class of shares shall not be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* with them, or by the purchase or redemption by the Company of any of its own shares.

Transfer of shares

The instrument of transfer of a certificated share may be in any usual or common form or in any other form approved by the Directors and shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee.

The Directors may refuse to register the transfer of a certificated share if:

- the transferee is or may be a Prohibited Person, or is or may be holding such Ordinary Shares on behalf of a beneficial owner who is or may be a Prohibited Person;
- the share is not fully paid;
- the transfer is not lodged at the Company’s registered office or such other place as the Directors have appointed;
- the transfer is not accompanied by the certificate for the shares to which it relates, such other evidence as the Directors may reasonably require;
- the transfer is in respect of more than one class of shares; or
- the transfer is in favour of more than four transferees.

The Directors shall have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in Ordinary Shares in the Company in uncertificated form (including in the form of depositary interests or similar interests, instruments or securities).

Alteration of Share Capital

The Company may by ordinary resolution:

- consolidate or consolidate and then divide all or any of its share capital into shares of larger amounts than its existing shares;
- cancel any shares which at the date of the passing of the resolution to cancel them, have not been taken, or agreed to be taken, by any person and diminish the amounts of its share capital by the amount of shares so cancelled; and
- sub-divide its shares or any of them into shares of smaller amount than is fixed by the Articles (subject, nevertheless, to the provision of the Act and every other act, statute, statutory instrument, regulation or order being in force from time to time, concerning companies affecting the Company and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued new shares.

Subject to statute and any rights attaching to any class of shares, the Company may purchase its own shares (including any redeemable shares).

Subject to statute and any rights attaching to any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or other distributable reserve in any manner.

General Meetings

All general meetings other than the annual general meeting shall be called general meetings.

All general meetings (other than annual general meetings) shall be called by at least 14 clear days' notice and an annual general meeting shall be called by at least 21 clear days' notice, unless a longer period of notice is required in accordance with the law.

Notwithstanding the notice period specified above, a general meeting (including an annual general meeting) can be held on short notice, if so agreed by a majority of members who hold at least 95 per cent. in the nominal value of the issued shares.

The notice shall specify the place, the date and the time of the meeting, a statement that the member is entitled to appoint one or more proxies to attend, vote and speak at the meeting, the general nature of the business to be transacted at the meeting, and if any resolution is to be proposed as a special resolution the text of such resolution.

The accidental failure to give notice to any person entitled to receive notice of a general meeting, or the non-receipt by such person of such notice shall not invalidate the proceedings at that meeting.

No business other than the appointment of the chairman of the meeting shall be transacted unless a quorum of two persons entitled to vote upon the business transacted on a poll is present.

Directors' Interests in Contracts with the Company

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at the board meeting at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists or, in any other case, at the first board meeting after he knows that he is or has become so interested.

A Director shall not vote (or be counted in the quorum at a meeting) in respect of an actual or proposed transaction or arrangement with the Company in which he is interested.

Subject to statute, the Company may by ordinary resolution suspend or relax the restrictions set out above.

The restrictions set out above shall not apply and a Director may (in the absence of some other material interest) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- the giving of any guarantee, security or indemnity in respect of:
 - money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
 - 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 and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- the giving of any indemnity where all other Directors are offered indemnities on substantially the same terms;
- any arrangement relating to the Company funding expenditure incurred by him defending proceedings of the Company or the Company doing something to enable him to avoid incurring such expenditure where all other Directors are offered substantially the same arrangements;
- any contract concerning an offer of shares or debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in respect of which he is or may be entitled to participate in his capacity as a holder of any securities or as an underwriter or sub-writer;
- any contract in which he has an interest because of his interest in shares or debentures or other securities of the Company or because of any other interest in or through the Company;
- any contract concerning another company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he does not hold an interest in shares representing one per cent. or more of any class of the equity share capital of such company;
- any contract for the benefit of employees of the Company or of any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the contract or arrangement relates; or
- any contract concerning the purchase or maintenance of insurance either or for the benefit of any Director or for persons who include Directors.

Directors – General

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum and not be less than two. Each Director shall be entitled to one vote and decisions shall be passed by simple majority, with the Chairman having a casting vote in the event of deadlock.

The Directors shall not be required to hold any share of the Company by way of qualification.

Any Director who holds any executive office or who performs services which in the opinion of the Directors are beyond the ordinary duties of a Director may be paid such extra remuneration (by way of salary, percentage of profits or otherwise) as the Board may determine.

Each Director will be paid all proper and reasonable expenses incurred in connection with the attendance at board meetings or general meetings or otherwise in connection with the business of the Company or in the performance of his duties as a Director. The Directors may give or award pensions, annuities and superannuation or other allowance or benefits to any persons who are or have at any time been employed by or in the service of the Company and to the wives, husbands, civil partners, widows, widowers, children and other relatives and dependants of any such persons.

At every annual general meeting of the Company each Director shall retire from office save that the board of Directors in office at the date of adoption of the Articles shall retire from office at the second annual general meeting held by the Company.

Any person who is willing to act as a Director, and is permitted by law, may be appointed to be a Director by ordinary resolution of the Company or by a decision of the Board.

Directors' Borrowing Powers

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

Disclosure of Interests in Shares

If the holder of, or any other person appearing to be interested in, any share has been given notice under section 793 of the Act and has failed in relation to that share (a "**Default Share**") to give the Company notice within the prescribed notice, the prescribed period being no less than 14 days from the date of service of the notice, the restrictions referred to in the paragraph below shall apply (save that the Directors may waive those restrictions in whole or in part at any time).

The restrictions referred to above are as follows:

- the holder of the Default Shares shall not be entitled in respect of those shares to attend or vote, either personally or by proxy at any general meeting of the Company;
- in addition, where the Default Shares in which one person is interested or appears to the Company to be interested, represent 0.25 per cent. or more of the relevant class (excluding any shares of that class held as treasury shares) the member holding the Default Shares shall not be entitled, in respect of those shares to receive any dividends or other distributions or transfer or agree to transfer any of those shares or any rights in them.

Share Rights

Dividends

The Company may by ordinary resolution in a general meeting declare dividends but no dividend shall be payable in excess of the amount recommended by the Directors.

Insofar as it appears to the Board that they are justified by the financial position of the Company, the Directors may pay interim dividends.

All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.

The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or other obligations in respect of which the lien exists.

The Directors may resolve that any dividend unclaimed after a period of six years from the date such dividend became due for payment shall be forfeited in favour of the Company.

The Company may by ordinary resolution in a general meeting, upon recommendation of the Directors, direct that payments of a dividend may be satisfied wholly or in part by the distribution of non-cash assets of equivalent value.

The Company may by ordinary resolution in a general meeting, offer the holders of shares the right to elect to receive new shares credited as fully paid instead of cash in respect of the whole or part of any dividend.

Voting Rights

Members shall have the right to receive notice of, to attend and to vote at all general meetings of the Company. Subject to the Articles and any restrictions as to voting attached to any class of shares, on a show of hands, each holder of shares present in person or by proxy shall have one vote and upon a poll each such holder who is present in person or by proxy shall have one vote in respect of every share held by him.

A member shall not be entitled to vote at a general meeting personally or by proxy, if any call or other sum payable by such member to the Company in respect of the share held by such member, remains unpaid.

Capitalisation of Profits and Reserves

The Directors may, with the authority of an ordinary resolution of the Company:

- decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- appropriate any sums which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of a dividend and in the same proportions.

Winding Up

If the Company is being wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a special resolution and any other sanction required by law:

- divide amongst the members in specie the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how such division shall be carried out as between the members or different classes of members; and/or
- vest the whole or any part of the assets in trustees, upon such trusts for the benefit of members as the liquidator, shall think fit, but so that no member shall be compelled to accept any assets in respect of which there is any liability.

Summary

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

(b) Other Regulatory Matters

Disclosure of interests in shares

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds. In addition, AIM Rule 17 requires notification without delay of any changes to the holding of a significant shareholder (as defined in the AIM Rules, which may include a Director) above 3 per cent. which increase or decrease such holding through any single percentage point. Schedule 5 to the AIM Rules specifies what information must be disclosed.

Pursuant to Part 22 of the Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, interested in the Company's shares, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

Takeovers

The Takeover Code applies to the Company. The Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM. Under Rule 9 of the Takeover Code a person who acquires, whether by a single transaction or by a series of transactions over a period of time, shares which (taken with shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company, is normally required to make a cash offer for all the outstanding shares of that company at not less than the highest price paid by him or them or any persons acting in concert during the offer period and in the 12 months prior to its commencement. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the company if the effect of such acquisition were to increase that person's percentage of the voting rights.

Pursuant to sections 979 to 982 of the Act, where the offeror has by way of a takeover offer as defined in section 974 of the Act acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which an offer relates and where the shares to which the offer relates represent not less than 90 per cent. of the voting rights in the company to which the offer relates, the offeror may give a compulsory acquisition notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire, and which he wishes to acquire, to acquire those shares on the same terms as the general offer.

Pursuant to sections 983 to 985 of the Act, where an offeror makes a takeover offer as defined by section 974 of the Act and, by virtue of acceptances of the offer and any other acquisitions holds or has agreed to acquire not less than 90 per cent. of the shares in the target (or if the offer relates to a class of 148 shares 90 per cent. of the shares in that class) and which carry not less than 90 per cent. of the voting rights in the target, then a minority shareholder who has not accepted the offer may require the offeror to acquire his shares in the target on the same terms as the general offer.

8. EMPLOYEE SHARE PLAN

On Admission, a number of participants including Mark Bringloe ("**MIP Participants**") will subscribe for C ordinary shares ("**MIP Shares**") in Edge Holdings (each, a "**MIP Share Entitlement**"). On subscription the MIP Shares will have no value.

Upon the satisfaction of applicable performance targets or the Board in its discretion deciding that the failure to achieve such targets was due to unforeseen circumstances, the MIP Participants have the right to sell 50 per cent. of their MIP Shares to the Company every year following the end of a two year period commencing 1 January 2019 (**MIP Vesting Period**) pursuant to the provisions of the articles of association of Edge Holdings. The value of the MIP Shares on vesting will increase (or decrease) by reference to the value of the Ordinary Shares at such time, the total award also being subject to certain usual limits. The Company will also have a corresponding call right at the end of this MIP Vesting Period. The date on which this right is exercised is referred to as the "**MIP Exercise Date**". The number of Ordinary Shares issued to each MIP participant shall be calculated by reference to an entitlement sum (each an "**MIP Share Entitlement**") divided by the Placing Price. Mark Bringloe's MIP Share Entitlement shall be £500,000, and the aggregated value of all MIP Share Entitlement shall be £2,200,000.

The Company may, at its discretion, offer to purchase the MIP Shares for cash or by issuing Ordinary Shares in the Company. The number of Ordinary Shares which would be acquired under such an offer would be based on the MIP Share value and the share price of the Ordinary Shares on the MIP Exercise Date. If the Company chooses to settle the MIP Shares by issuing Ordinary Shares in the Company, the MIP Participants will be restricted from selling 50 per cent. of the Ordinary Shares they receive for a period of 12 months from the date they are issued or before the fourth anniversary of the date of the MIP Shares being issued, whichever earlier.

The holders of the MIP Shares are not entitled to receive a dividend where a dividend is declared by Edge Holdings only on the ordinary shares held by the Company. Edge Holdings does have the flexibility to declare dividends on the MIP Shares. There is no current intention to pay dividends on the MIP Shares and any decision to declare a dividend would be subject to Company Consent.

The MIP Shares will not have voting rights.

(a) **Leavers**

During the MIP Vesting Period, if a MIP Participant ceases to be a director or employee of a member of the Group other than in certain “Good Leaver” circumstances, MIP Participants can be required to transfer their MIP Shares at nominal value.

A Good Leaver is someone who ceases employment as a result of death, ill health, injury or disability evidenced to the satisfaction of the Board with Company Consent; retirement at the normal retirement age in accordance with the Group’s internal policies; or any other reason the Board (acting with Company Consent) permits.

If the MIP Participant is determined to cease employment in any of these “Good Leaver” circumstances, they will be permitted to retain their MIP Shares and their MIP Share Entitlement shall be pro-rated by reference to the period of employment as a proportion of the MIP Vesting Period.

The Company will have flexibility to buy back the relevant proportion of MIP Shares that have not vested (based on the pro-rating above) at an earlier date following cessation of employment.

(b) **Dilution Limits**

The use of Ordinary Shares which are newly issued or transferred from treasury under the MIP, when aggregated with all Ordinary Shares issued or to be issued or transferred from treasury over the previous ten-year period under the MIP, and any other employee share plans adopted by the Company, is limited to 10 per cent. of the issued share capital of the Company from time to time. Within the foregoing limit, and subject to Remuneration Committee discretion, not more than 5 per cent. of the issued share capital of the Company from time to time may be used under the MIP and any other employee share plan operated by the Company on a selective basis (and, in the event of multiple exercises of the MIP or other employee share plans operated on a selective basis, including Ordinary Shares issued on the earlier exercises). Ordinary Shares subject to options or awards which have lapsed or been surrendered are excluded when calculating this limit, and any Ordinary Shares subject to options or awards granted prior to Admission will also be disregarded for the purposes of this limit. The use of Ordinary Shares transferred from treasury may be disregarded if institutional investor guidelines are amended to permit this.

(c) **Corporate events**

MIP Shareholders could be required by the Company to sell all of their MIP Shares for their proportioned entitlement on a third party obtaining control of the Company (either to the Company or the third-party purchaser), on an asset sale, and on a return of assets on a liquidation.

(d) **Adjustments**

The Edge Holdings Board, acting with Company Consent, has the absolute discretion to rebase or adjust the relevant performance targets, or the MIP Shares Entitlements on the occurrence of adjustment events (including a further issue of Ordinary Shares, any acquisition or disposal by or out of the Group of any company, a special dividend, business or assets or new financing or refinancing arrangements) provided that the adjustment is made on a just and reasonable basis and with a view to ensuring that the MIP Shares are not disadvantaged or benefited by the adjustment.

(e) **Administration and amendment**

The MIP is administered by the Remuneration Committee. The Remuneration Committee may amend the provisions of the MIP.

(f) **Awards not pensionable**

No awards or benefits under the MIP are pensionable.

9. DIRECTORS' INTERESTS

- (a) Immediately prior to Admission and immediately following Admission, the interest in Ordinary Shares of the Directors (including related financial products as defined in the AIM Rules for Companies), including the interests of each Director's family (which shall bear the meaning given to it as set out in the AIM Rules for Companies) (all of which are beneficial), the existence of which is known or which could, with reasonable diligence, be ascertained by a Director are, and following Admission, will be, as follows:

<i>Name</i>	<i>Immediately prior to Admission</i>		<i>Upon Admission</i>	
	<i>Ordinary Shares Held</i>	<i>Percentage of Existing Ordinary Share Capital</i>	<i>Ordinary Shares Held</i>	<i>Percentage of Enlarged Ordinary Share Capital</i>
Alan Sellers	38,675,004	45.50	38,675,000	35.16
Samantha Moss	38,675,003	45.50	38,675,000	35.16

- (b) Save as disclosed in this paragraph 9, no Director has any interest in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of section 252 of the Act) have any such interests, whether beneficial or non-beneficial.
- (c) It is intended that, on Admission, Mark Bringloe will subscribe for MIP shares as described in more detail in paragraph 8 of this Part IV.
- (d) The Directors have held the following Directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

Current Directorships/partnerships:

<i>Name</i>	<i>Company/LLP</i>
Alan Sellers	Anexo Group plc, Edge Vehicles Rentals Group Limited, AMS Legal Services Limited, Medical Approvals Limited, The Pleadings Factory Limited, Future Screen Partners 2006 No.1 LLP, Future Screen Partners 2006 No.3 LLP, Liverpool Civil Law Limited
Mark Bringloe	Anexo Group plc, DDL208 Limited, Direct Accident Management Limited, Strategic Management (UK) Limited
Samantha Moss	Anexo Group plc, Armstrongs Solicitors Limited, Armstrong Solicitors Limited, Edge Vehicles Rentals Group Limited
Christopher Houghton	Anexo Group plc
Richard Pratt	Anexo Group plc, Keyventures Limited
Elizabeth Sands	Ardea Enterprises Limited, Trustee of Broadcasting Support Services (in members voluntary liquidation), Great Bowery, Inc
Roger Barlow	Bank and Clients plc, Marsden Building Society, Impact Holdings (UK) plc, Sapien Partnership Limited

Previous Directorships/partnerships over the last five years:

<i>Name</i>	<i>Company/LLP</i>
Mark Bringloe	Shape Care Limited (dissolved)
Alan Sellers	Cobra Legal Defence Limited (dissolved), DDL208 Limited, Direct Accident Management Limited
Samantha Moss	—

<i>Name</i>	<i>Company/LLP</i>
Christopher Houghton	Park Group plc, Perfect Wedding Gifts Limited (dissolved), Park Contract Services Limited (dissolved), Dairy Hampers Limited (dissolved), Voucher World Limited (dissolved), Park Food Group Limited (dissolved), Park Food Limited (dissolved), Hamper Delivery Service Limited (dissolved), Hamper Packing Co. Limited (dissolved), Chrisco Hamper Packaging Co. Merseyside Limited (dissolved), Park Food Services Limited (dissolved), Chasecheck Limited (dissolved), The Christmas Prepayment Association Limited, Family Hampers Limited, Family Christmas Savings Club Limited, MAXIMB2B Ltd, Park Group UK Limited, Last Minute Cash Limited, The Perfect Hamper Co. Limited, Park Group Secretaries Limited, Park Card Marketing Services Limited, Agency Administration Limited, Park Retail Limited, Park Food (Warrington) Limited, Wirral Cold Store Limited, High Street Vouchers Limited, Heritage Hampers Limited, Park Hamper Company Limited, Park Marketing Services Limited, Park Premier Services Limited, Handling Solutions Limited, Park Connect Limited, Premier Fast Cash Limited, Park Christmas Savings Club Limited, Low Cost Cover Limited, Park.com Limited, Premier direct credit limited, Park Card Services Limited, Home Farm Hampers Limited, Cheshire Bank Limited, Getaway Club Limited, Country Hampers Limited, Park Direct Credit Limited, Park Travel Service Limited, Cheshire Securities Limited, Budworth Properties Limited, Park Online Limited, Premier Credit Services Limited, Park Financial Services Limited, Country Christmas Savings Club Limited, Online Solutions Limited, Park Direct Insurance Services Limited, Christmas Moneybox Limited, Flexesaver Limited, Fisher Moy International Limited, Opal Loans Limited, Opal Finance Limited
Richard Pratt	–
Elizabeth Sands	–
Roger Barlow	Impact Employee Benefit Trustee Limited

(e) Save as disclosed below, no Director:

- has any unspent convictions in relation to any fraudulent offences; or
- has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
- has been a Director of any company which, while he was a Director or within 12 months after he ceased to be a Director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- has had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- has 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.

(f) In November 2014, Mark Bringloe was fined and ordered to pay costs for operating without a practicing certificate and no professional indemnity insurance by ICAEW.

(g) Roger Barlow was a director of Libertas Capital Group plc from 19 July 2004 and stepped down as CFO in November 2007 becoming a non-executive director on 11 June 2008. Following the credit crisis the business was substantially weakened and In May 2009 the Company was put into administration and subsequently entered into a creditors voluntary liquidation. The company was dissolved in June 2018 leaving a deficit of approximately £2.5 million.

- (h) Save for Alan Sellers and Samantha Moss, so far as the Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- (i) So far as the Directors are aware, there are no arrangements in place which could, at a later date, result in a change of control of the Company.
- (j) None of the Company's major holders of shares listed above has voting rights which are different from other holders of Ordinary Shares.
- (k) There are no loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director other than as detailed at paragraph 12 of Part IV of this Document.
- (l) Save as otherwise disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Company or any of its subsidiaries during the current or immediately preceding financial year or which was effected by the Company or any of its subsidiaries during any earlier financial year and remains in any respect outstanding or unperformed.
- (m) In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.
- (n) The aggregate amount of remuneration (including any contingent or deferred compensation) payable and benefits in kind granted to Directors of the Company is estimated to be £1.1 million for the Directors in the current financial period ending 31 December 2018 under the arrangements in force at the date of this Document.

10. DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

- (a) Alan Sellers will enter into a new service agreement with the Company immediately prior to Admission for the role of executive chairman of the Group. The service agreement is subject to termination upon not less than six calendar months' notice by either party, however the Company reserves the right to pay money in lieu of notice. The agreement provides for an annual salary of £375,000, a company car (plus fuel expenses attributable to business use), and life assurance of 4 times salary, permanent health insurance and private medical insurance for Alan Sellers, his partner and all his dependent children. The agreement also includes typical provisions which apply on termination, including the right to require him to work his notice period on garden leave, to resign his directorship on termination of his employment and restrictions applicable following the termination of his employment, including restrictions against working for a competitive business, soliciting clients and customers and soliciting senior employees to leave the business in each case for a period of 6 months following the termination of his employment. He will be entitled to a bonus of up to 100 per cent. of basic salary in respect of each financial year of the Company provided certain performance targets are met.
- (b) Mark Bringloe will enter into a new service agreement with the Company immediately prior to Admission for the role of chief financial officer of the Group. The service agreement is subject to termination upon not less than 6 calendar months' notice by either party, however the Company reserves the right to pay money in lieu of notice. The agreement provides for an annual salary of £200,000, a company car (plus fuel expenses attributable to business use), private medical insurance for Mark and his partner and all dependent children, pension contributions of 2 per cent. of his salary and life assurance of 4 times salary plus permanent health insurance. The agreement also includes typical provisions which apply on termination, including the right to require him to work his notice period on garden leave, to resign his directorship of the Company on termination of his employment and restrictions applicable following the termination of his employment, including restrictions against working for a competitive business, soliciting clients and customers and soliciting senior employees to leave the business in each case for a period of 6 months following the termination of his employment. He will be entitled to a bonus of up to 50 per cent. of his basic salary in respect of each financial year of the Company provided certain performance targets are met.
- (c) Samantha Moss will enter into a new service agreement with the Company immediately prior to Admission for the role of managing director of Bond Turner. The service agreement is subject to termination upon not less than 6 calendar months' notice by either party, however the Company

reserves the right to pay money in lieu of notice. The agreement provides for an annual salary of £225,000, a company car (plus fuel expenses attributable to business use), private medical insurance for Samantha and her partner and all dependent children, pension contributions of 2 per cent. of her salary and life assurance of 4 times salary plus permanent health insurance. The agreement also includes typical provisions which apply on termination, including the right to require her to work her notice period on garden leave, to resign her directorship of Bond Turner on termination of her employment and restrictions applicable following the termination of his employment, including restrictions against working for a competitive business, soliciting clients and customers and soliciting senior employees to leave the business in each case for a period of 6 months following the termination of his employment.

- (d) The services of Richard Pratt as Independent Non-Executive Director are provided under the terms of a letter of appointment between the Company and Richard Pratt which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £35,000 per annum.
- (e) The services of Christopher Houghton as an Independent Non-Executive Director are provided under the terms of a letter of appointment between the Company and Christopher Houghton which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £35,000 per annum.
- (f) The services of Elizabeth Sands as an Independent Non-Executive Director are provided under the terms of a letter of appointment between the Company and Elizabeth which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £35,000 per annum.
- (g) The services of Roger Barlow as an Independent Non-Executive Director are provided under the terms of a letter of appointment between the Company and Roger Barlow which shall be entered into immediately prior to Admission for an initial period of three years, continuing thereafter subject to termination upon at least three months' notice, at an initial fee of £35,000 per annum.
- (h) Save as set out in paragraphs (a) to (g) above, there are no service agreements in existence between any of the Directors and the Company or any of its subsidiaries which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

11. DIRECTORS' LOANS

Direct Accident Management Limited, an indirect subsidiary of the Company, has advanced loans to two of its directors:

- (a) £3,040,000 to Alan Sellers;
- (b) £425,000 to Valentina Slater.

Bond Turner Limited has advanced a loan to its director, Samantha Moss, the outstanding balance of which is £2,056,000.

There are no written agreements in place in respect of the loans, each of which will be repaid (with accrued interest) on or shortly after Admission using proceeds from the Admission.

12. RELATED PARTY TRANSACTIONS

Save as set out in paragraph 11 of this Part IV or as referred to in the financial statements set out in Part III of this Document, there are no related party transactions that were entered into by the Group during the period covered by the financial information set out in Part III of this Document and up to the date of this Document, other than:

- (a) the agreements to effect the restructuring referred to in paragraph 4 of this Part IV ("**Restructuring Agreements**").
- (b) The Relationship Agreement which regulates the relationship between the Company and Alan Sellers and ensures that (i) the Company will at all times be capable of carrying on its business independently

of Alan Sellers and his associates; and (ii) all transactions and arrangements between the Company and Alan Sellers or his associates will be at arm's length and on normal commercial terms. The Relationship Agreement takes effect from Admission. The Relationship Agreement will terminate if the Shares cease to be admitted to trading on AIM (not including any period of suspension of trading) or if Alan Sellers together with his associates cease to retain an aggregate interest of 25 per cent. or more of the rights to vote at a general meeting of the Company attaching to the Shares;

- (c) certain personal guarantees given to banks by Samantha Moss and Alan Sellers in respect of the Group's financing arrangements;
- (d) cash bonuses which the Company has agreed to pay, conditional on Admission, to each of Dawn O'Brien and Mark Bringloe of £150,000 each; and
- (e) A management services agreement dated 15 June 2018 entered into between the Company and the other member of the Group, pursuant to which the Company has been appointed to perform and render certain management services (including operational management services, financial services, marketing services and strategy and corporate finance services) in relation to the Group and the Group's business. These services include providing the operational management services of senior executives as may be agreed from time to time, providing assistance in the preparation of financial projections, negotiation of funding packages, monitoring compliance with financing agreements, assistance and advice with respect to the development of marketing methodologies and strategies, and advice on the strategic planning for the development of new projects, business strategies, and potential acquisitions and disposals.

13. PLACING AGREEMENT

A placing agreement dated 15 June 2018 between the Company, the Directors, and Arden, pursuant to which Arden has been appointed as the agent of the Company for the purpose of managing the Placing and has agreed to use reasonable endeavours to procure subscribers for the Placing Shares, at the Placing Price. The Placing Shares include New Ordinary Shares placed on account of the Company and also those placed in order to raise funds to enable the Company and Edge Holdings to make payment to the Selling Shareholders under the pre-Admission reorganisation described in paragraph 4 of this Part IV. Commission will be deducted from funds due to the Selling Shareholders prior to payment by the Company.

The Placing Agreement is conditional, amongst other things, on Admission taking place no later than 20 June 2018, or such later date as the Company and Arden may agree, being no later than 30 June 2018, and the Company and the Directors complying with certain obligations under the Placing Agreement.

Under the Placing Agreement and subject to it becoming unconditional:

- (a) the Company has agreed to pay Arden a corporate finance fee of £200,000; and
- (b) the Company has agreed to pay Arden a commission of 3.5 per cent. of the aggregate value of the Placing Shares at the Placing Price (together with all costs and expenses and VAT thereon) (of which commission £350,000 shall be for the account of the Company and £525,000 for the account of the Selling Shareholders).

The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing, including all fees and expenses payable in connection with Admission, expenses of the Registrars, printing and advertising expenses, postage and all other legal, accounting and professional fees and expenses.

Pursuant to the Placing Agreement, the Company and the Directors have given certain warranties to Arden regarding the accuracy of the information in this document and other matters relating to the Group and its business. The Company has also provided Arden with a customary indemnity to cover Arden for liabilities it may suffer as a result of acting as placing agent pursuant to the Placing Agreement. Arden is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission.

Under the Placing Agreement, the Company has agreed with Arden that they will not issue any Ordinary Shares (or interest in them) following Admission for a period of 90 days from the date of Admission, except in certain limited circumstances, including with the consent of Arden.

14. MATERIAL CONTRACTS

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

- (a) A nominated adviser and broker agreement dated 15 June 2018 between the Company and Arden as nominated adviser and as nominated broker pursuant to which the Company has appointed Arden to act as nominated adviser and as stockbroker to the Company for the purposes of AIM commencing on the date of the agreement. The Company has agreed to pay to Arden a fee of £60,000 per annum. The agreement is terminable three months' notice by either party following the first anniversary of the date of execution of such agreement.
- (b) The Placing Agreement referred to in paragraph 13 of this Part IV.
- (c) Restructuring Agreements.
- (d) The Relationship Agreement referred to in paragraph 12(b) of this Part IV.
- (e) A lock-in agreement dated 15 June 2018 between Arden and the Selling Shareholders, pursuant to which the Selling Shareholders have agreed with Arden that they will not dispose of any Ordinary Shares (or interest in them) held by them following Admission, for a period of 12 months from the date of Admission, except in certain limited circumstances, including with the consent of Arden. Each Selling Shareholder has further agreed that, for a further period of 12 months, in order to preserve an orderly market in the Ordinary Shares, they will not dispose of any Ordinary Shares (or interest in them) held by them following Admission, except in certain limited circumstances, other than through Arden.

15. TAXATION

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

The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent. or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme.

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

Taxation of chargeable gains

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

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

A disposal of all or any of the Ordinary Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is

connected may, depending on the circumstances of the relevant shareholder, give rise to a liability to UK taxation on chargeable gains.

UK resident individuals

Where an individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.

No indexation allowance will be available to individual Shareholders.

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

For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

UK resident corporate shareholders

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief.

Corporation tax is charged on chargeable gains at the rate applicable to that company (currently 19 per cent., but due to fall to 17 per cent. from 1 April 2020).

Taxation of dividends

Company

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

UK resident individuals

Individual Shareholders have the benefit of an annual dividend allowance of £2,000 from 6 April 2018. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent.. If an individual receives dividends in excess of this allowance, the excess will be taxed at the dividend ordinary rate of 7.5 per cent. for basic rate taxpayers, at the dividend higher rate of 32.5 per cent. for higher rate taxpayers, and at the dividend additional rate of 38.1 per cent. for additional rate taxpayers.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK resident corporate shareholders

A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent. (or 17 per cent. from 1 April 2020).

Stamp duty and stamp duty reserve tax ("SDRT")

An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a Recognised Stock Exchange. The Company anticipates that this exemption will apply to dealings in the Ordinary Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Ordinary Shares.

Absent an exemption from stamp duty and SDRT, any dealings in Ordinary Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty SDRT could be payable at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser subject to do a minimum limit and relevant anti-avoidance provisions.

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

16. INVESTMENTS

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

17. ENVIRONMENTAL ISSUES

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

18. WORKING CAPITAL

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

19. LITIGATION

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

20. GENERAL

- (a) Save as disclosed in this document, there has been no significant change in the financial or trading position of the Subsidiaries since 31 December 2017, the date to which the last audited results of the Subsidiaries were prepared. There have been no interruptions in the business of the Group, which may have or have had in the 12 months preceding the publication of this document a significant effect on the financial position of the Group or which are likely to have a material effect on the prospects of the Group for the next 12 months.

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company or Edge Holdings since incorporation.

- (b) Save as set out in this document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects in the period commencing on the date of this document until 31 December 2018.
- (c) Arden, which is regulated by the Financial Conduct Authority, in its capacity as Nominated Adviser and broker to the Company has given and has not withdrawn its written consent to the inclusion in this

document of its name in the form and context in which it appears. Arden has no material interest in the Company.

- (d) RSM Corporate Finance LLP of 25 Farringdon Street, London, EC4A 4AB, in its capacity as Reporting Accountants to the Company, has given and has not withdrawn its written consent to the inclusion of its accountant's report on historical financial information in Part III of this document.
- (e) The total expenses of and incidental to the Admission and Placing, are estimated to amount to approximately £1.9 million (excluding VAT). The Company will deduct the *pro rata* commission before settlement to the Selling Shareholders.
- (f) There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business.
- (g) There are no arrangements under which future dividends are waived or agreed to be waived.
- (h) The financial information set out in this document does not constitute statutory accounts within the meaning of section 434 of the Act. The Company's accounting reference date is 31 December and the first accounting period of the Company will end on 31 December 2018.
- (i) No paying agent has been appointed by the Company.
- (j) Save as disclosed in this Document and, except for fees payable to the professional advisers, payments to trade suppliers and the fees payable as set out above, no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.
- (k) Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- (l) Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares. The Ordinary Shares will only be traded on AIM.

21. AVAILABILITY OF THIS DOCUMENT

Copies of this document will be available for inspection at the offices of Arden Partners, 125 Old Broad Street, London EC2N 1AR during normal business hours on any weekdays (Saturdays and Public Holidays excepted) for 30 days from the date of Admission.

Dated: 15 June 2018

