



**SMARTTECH247 GROUP PLC  
PLACING AND ADMISSION  
TO AIM**

**Smarttech**  
YOUR 24/7 SECURITY PARTNER

**November 2022**

**THIS DOCUMENT (“ADMISSION DOCUMENT”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Admission Document, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, such as a stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and is authorised under the Financial Services and Markets Act 2000 (“FSMA”) (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).**

This Admission Document, which comprises an AIM admission document, has been prepared in connection with the proposed application for admission of the issued and to be issued share capital of the Company to trading on AIM, a market of London Stock Exchange plc. This Admission Document is an admission document drawn up in accordance with the AIM Rules for Companies. This Admission Document does not constitute a prospectus within the meaning of section 85 of FSMA, and has not been drawn up in accordance with the Prospectus Regulation Rules published by the Financial Conduct Authority (“FCA”) and a copy has not, and will not be, approved or filed with the FCA or any other competent authority. This Admission Document does not constitute, and the Company is not making, an offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise.

The Company and each of the Directors, whose names appear on page 8 of this Admission Document in accordance with the AIM Rules for Companies, individually and collectively accept full responsibility for the information contained in this Admission Document, including for its compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Application will be made for the whole of the Company’s issued and to be issued ordinary share capital to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA (the “Official List”). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange plc in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this Admission Document nor will it. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List.**

The application will be made in accordance with the AIM Rules for the entire issued and to be issued share capital to be admitted to trading on AIM. The Existing Ordinary Shares are not traded on any other recognised investment exchange and no other such applications have been, nor is intended to be, made. It is expected that Admission (as defined on page 128 of this Admission Document) will become effective and dealings on AIM will commence in the Ordinary Shares at 8.00 a.m. on or around 15 December 2022.

Prospective investors should read the whole of this Admission Document. An investment in the Company is speculative and involves a high degree of risk. The attention of prospective investors is drawn in particular to Part II of this Admission Document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Company’s business, financial position and prospects should be viewed in light of these risk factors.

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## Smarttech247 Group plc

*(Incorporated and registered in England and Wales with registration number 14385467)*

### Placing of 12,385,828 New Ordinary Shares at 29.66 pence per share and Admission to Trading on AIM

*Nominated and Financial Adviser*



*Broker*



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The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 15 December 2022 (or such later date as the Company, SPARK Advisory Partners Limited (“SPARK”) and Shard Capital Partners LLP (“Shard”) may agree, being not later than 5.00 p.m. on 6 January 2023). The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares then in issue and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

SPARK, which is authorised and regulated in the UK by the FCA, is acting as nominated adviser to the Company. SPARK will not be acting for or otherwise be responsible to any person (including a recipient of this Admission Document) other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of any part of this Admission Document or otherwise in respect of the proposed Placing or Admission or any transaction, matter or engagement referred to in this Admission Document. The responsibilities of SPARK, as the Company’s nominated adviser under the AIM Rules, are owed solely to London Stock Exchange plc and are not owed to the Company or any Director or Shareholder or to any other person. In respect of any decision to acquire Ordinary Shares in reliance on any part of this Admission Document or otherwise, SPARK is not making any representation or warranty, express or implied, as to the contents of this Admission Document (without limiting the statutory rights of any person to whom this Admission Document is issued).

Shard is authorised and regulated in the UK by the FCA and is acting as broker to the Company. Shard will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of any part of this Admission Document or otherwise in respect of the proposed Placing or Admission or any transaction, matter or engagement referred to in this Admission Document. The

responsibilities of Shard as the Company's broker under the AIM Rules are owed solely to London Stock Exchange plc and are not owed to the Company or any Director or Shareholder or to any other person. In respect of any decision to acquire Ordinary Shares in reliance on any part of this Admission Document or otherwise, Shard is not making any representation or warranty, express or implied, as to the contents of this Admission Document

Apart from the responsibilities and liabilities, if any, which may be imposed on SPARK and/or Shard by FSMA or the regulatory regime established thereunder, neither SPARK nor Shard accepts any responsibility whatsoever for the contents of this Admission Document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares, the Placing or Admission. SPARK and Shard accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this Admission Document or any such statement.

No legal, business, tax or other advice is provided in this Admission Document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding, or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

**It should be remembered that the price of securities and the income from them can go down as well as up and this Admission Document contains references to past performance of the Company. Past performance is not a reliable indicator of future results.**

Copies of this Admission Document, which is dated 30 November 2022, will (subject to certain restrictions relating to persons resident in certain restricted jurisdictions) be available to download from the Company's website [www.smarttech247.com](http://www.smarttech247.com).

## **OVERSEAS SHAREHOLDERS**

This Admission Document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Admission Document is not, subject to certain exceptions, for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, Japan, or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered, sold, taken up, delivered or transferred directly or indirectly in, into or from the United States of America, Canada, Australia, the Republic of South Africa, Japan, or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this Admission Document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by SPARK or by Shard that would permit a public offer of Ordinary Shares or possession or distribution of this Admission Document where action for that purpose is required. Persons outside the UK into whose possession this Admission Document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this Admission Document or confirmed the accuracy or adequacy of the information contained in this Admission Document. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered in reliance on Regulation S under the US Securities Act.

Holding Ordinary Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas shareholders should inform themselves about and observe any applicable legal and/or regulatory requirements. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The distribution of this Admission Document outside the UK may be restricted by law. No action has been taken by the Company, SPARK or Shard 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 Admission Document should inform themselves about the distribution of this Admission 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 the Ordinary Shares, or in making any other investment decisions in respect of Admission or the Placing, prospective investors should rely only on the information contained in this Admission Document. No person has been authorised to give any information or make any representations other than as contained in this Admission Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, SPARK or Shard. Neither the delivery of this Admission Document nor any subscription or purchase made under this Admission Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Admission 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. Potential Investor 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 Admission 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 Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in Ordinary Shares.

If you are in any doubt about the contents of this Admission 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 Admission Document or any subsequent communications from the Company, the Directors, SPARK or Shard 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.

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

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

## **FORWARD-LOOKING STATEMENTS**

Certain statements in this Admission Document are forward-looking statements. Forward-looking statements include all matters that are not current or institutional facts and appear in a number of places throughout this Admission Document. Words such as “expects”, “predicts”, “anticipates”, “may”, “should”, “will”, “intends”, “plans”, “believes”, “targets”, “seeks”, “estimates”, “aims”, “projects”, “pipeline” and variations of such words and similar expressions (including their negative or other variations) 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. These forward-looking statements are not based on historic facts but rather on the Directors’ expectations regarding the Group’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors’ current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel and other factors, many of which are beyond the control of the Company.

These forward-looking statements are subject to, among other things, the risk factors described in Part II of this Admission Document. Although the forward-looking statements contained in this Admission Document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. Potential investors should therefore not place undue reliance on forward-looking statements (which speak only as of the date of this Admission Document). No reliance should be put on any written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue. Forward-looking statements contained in this Admission Document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future and no forward-looking statement contained in this Admission Document is intended to provide any representation, assurance or guarantee as to future events or results. The Company will comply with its obligations to publish updated information as required by FSMA, the Market Abuse Regulation and/or the AIM Rules for Companies or otherwise by law and/ or by any regulatory authority but assumes no further obligation to publish additional information. Subject to any requirement under applicable legislation or regulation, the Company will not (and expressly disclaims any undertaking or obligation to) publicly release any revisions it may make to any forward-looking statements or other information that may occur due to any change in its expectations or to reflect events or circumstances after the date of this Admission Document. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed the historic or published earnings of the Group.

## **ROUNDING**

The financial information contained in this Admission Document, including that financial information presented in a number of tables in this Admission Document, has been subject to rounding adjustments. 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 Admission 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.

## **MARKET, INDUSTRY AND ECONOMIC DATA**

Unless the source is otherwise identified, the market, industry, and economic and industry data and statistics in this Admission Document constitute the Directors' estimates, using underlying data from third parties. The Company has 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 relevant 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.

This Admission Document includes market share, industry data and forecasts that the Company has obtained from industry publications, surveys and internal company sources. As noted in this Admission Document, the Company has obtained market and industry data relating to its business from providers of industry data and has obtained market data from the following reports:

- The Total Economic Impact<sup>™</sup> of Smarttech247 VisionX — Forester Consulting (January 2022)
- Hardman & Co: Smarttech247 — Next Generation Cybersecurity (July 2022)

Statistics are subjective and judgmental.

Market and industry data are inherently predictive and speculative and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents,

including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information. Specifically, neither SPARK or Shard, have authorised the contents of, or any part of, this Admission Document and accordingly no liability whatsoever is accepted by SPARK or Shard for the accuracy or completeness of any market or industry data which is included in this Admission Document.

## **NO INCORPORATION OF WEBSITES**

The contents of the Company's websites (nor any other website whether or not accessible via hyperlinks from the Company's website) do not form part of this Admission Document and potential investors should not rely on them.

## **GENERAL NOTICE**

This Admission Document has been drawn up in accordance with the AIM Rules and it does not comprise a prospectus for the purposes of the Prospectus Regulation Rules in the United Kingdom. It has been drawn up in accordance with the requirements of the Prospectus Regulation Rules only in so far as required by the AIM Rules and has not been delivered to the Registrar of Companies in England and Wales for registration. This Admission Document has been prepared for the benefit only of existing Shareholders of the Company and a limited number of persons all of whom qualify as "qualified investors" for the purposes of the Prospectus Regulation Rules, to whom it has been addressed and delivered and may not in any circumstances be used for any other purpose or be viewed as a document for the benefit of the public. The reproduction, distribution or transmission of this Admission Document (either in whole or in part) without the prior written consent of the Company, SPARK and Shard is prohibited.

## **GOVERNING LAW**

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

## **REFERENCES TO DEFINED TERMS**

Certain terms used in this document are defined in the section of this document under the headings "Definitions".

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## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Ronan Murphy ( <i>Executive Chairman</i> ) Raluca Saceanu ( <i>Chief Executive Officer</i> ) Nicholas Lee ( <i>Finance Director</i> ) Sarah Cope ( <i>Senior Independent Non-Executive Director</i> ) Michael Connolly ( <i>Independent Non-Executive Director</i> )
<b>Company Secretary</b>	Martin Desmond
<b>Registered Office</b>	165 Fleet Street London, EC4A 2DY
<b>Website</b>	<a href="http://www.smarttech247.com">www.smarttech247.com</a>
<b>Nominated and Financial Adviser</b>	SPARK Advisory Partners Limited 5 St. John's Lane London, EC1M 4BH
<b>Broker</b>	Shard Capital Partners LLP Suite 303, Floor 3 70 St Mary Axe London, EC3A 8BE
<b>Reporting Accountant</b>	PKF Littlejohn LLP 15 Westferry Circus, Canary Wharf London, E14 4HD
<b>Auditor</b>	EY Ireland Cork Quarter Lapps Quay Cork Ireland
<b>Legal Adviser to the Company</b>	RBG Legal Services Limited, trading as Memery Crystal 165 Fleet Street London, EC4A 2DY
<b>Legal Adviser to the Company on Irish Matters</b>	LK Shields Solicitors LLP 38 Upper Mount Street Dublin 2 D02 PR89
<b>Legal Adviser to the Company on Romanian Matters</b>	Schoenherr Attorneys at Law RO-010413 București Bulevardul Dacia nr. 30 etajul 7 sector 1 RO 17272298
<b>Legal Adviser to the Nominated Adviser and Broker</b>	DLA Piper UK LLP Princes Exchange Princes Square Leeds, LS1 4BY
<b>Registrar</b>	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Admission Document	30 November 2022
Admission and commencement of dealings on AIM	8.00 a.m. on or around 15 December 2022
Expected date for Ordinary Shares to be credited to CREST accounts	on or around 15 December 2022
Despatch of definitive certificates for New Ordinary Shares	on or before 2 January 2023

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*All of the above timings refer to London time unless otherwise stated. All future times and/or dates referred to in this Admission Document are subject to change at the absolute discretion of the Company and SPARK.*

## ADMISSION AND PLACING STATISTICS

Number of Existing Ordinary Shares in issue at the date of this Admission Document	87,500,000
Number of Placing Shares to be issued by the Company on Admission	12,385,828
Number of CLN Shares to be issued by the Company on Admission	13,646,441
Number of EBT Shares to be issued by the Company on Admission	10,546,713
Total number of New Ordinary Shares to be issued by the Company on Admission	36,578,982
Enlarged Issued Share Capital on Admission	124,078,982
New Ordinary Shares as a percentage of the Existing Ordinary Shares	<i>29.48 per cent.</i>
Number of Warrants in issue on Admission	863,116
Number of Ordinary Shares over which an Option has been granted as at Admission	4,541,290
Issued share capital on a fully diluted basis on Admission	129,483,388
Placing Price per New Ordinary Share	29.66 pence
Market capitalisation of the Company on Admission	£36.80 million
Gross proceeds of the Placing	£3.67 million
Estimated net proceeds of the Placing	£2.80 million
AIM symbol	S247
ISIN	GB00BMGNDN03
SEDOL Code	BMGNDN0
LEI Number	2138009L38BFJR1HZE49

# PART I

## INFORMATION ON THE COMPANY

### 1. INTRODUCTION

Smarttech247 is a multi-award-winning AI-based cybersecurity organisation. The Group is led by a highly experienced Board and management team, with its head office located in Cork, Republic of Ireland and a client base that operates in Europe and the USA.

The Board is seeking for the Company's issued and to be issued shares to be admitted to trading on AIM to continue the development of the Smarttech247's proprietary technology, grow its international presence and support its expansion into new products. The Board intends to achieve this through a combination of continued organic growth and, if appropriate, through complementary acquisitions.

The Company has conditionally raised approximately £3.7 million (gross) through a Placing of 12,385,828 new Ordinary Shares at the Placing Price of £0.2966 per share. The Placing is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 15 December 2022 or such later date (being no later than 5.00 p.m. on 6 January 2023) as the Company, SPARK and Shard may agree.

### 2. HISTORY AND BACKGROUND

Founded by Ronan Murphy, Smarttech247 aims to provide security solutions to a growing list of blue-chip clients (B2B) utilising an automated Managed Detection and Response ("MDR") Platform. The Group's services target proactive prevention for clients and utilise the latest methodology in cloud, big data analytics and machine learning, as well as incident response teams, to protect enterprises as they migrate to cloud-based IT operations.

Smarttech247's key milestones are set out below:

- 2016** – Achieved ISO9001 and ISO27001 Certifications
- 2017** – First company worldwide to implement IBM Watson for cybersecurity; Inaugurated Zero Day Con Smarttech247's flagship conference
- 2018** – Won three major awards: (1) Managed Security Provider of the Year (Tech Excellence Awards) (2) One to Watch (Leaders Awards) and (3) Technology Company of the Year (Cork Business Awards)
- 2019** – Smarttech247 won the prestigious IBM Beacon Award in San Francisco for Global Outstanding Security Solution
- 2020** – Achieved Cyber Essentials Accreditation
- 2021** – Opened Office in Belfast; Launched first security product (NoPhish); Smarttech247 ranks in Fast 50 Tech Companies in Ireland; Raluca Saceanu wins Women in Tech Advocate Award by Deloitte

Today, Smarttech247 aims to position itself at the intersection of three growth markets:

1. Security threat incidents;
2. Growth of cloud adoption amongst both large and small-medium enterprise; and
3. Proliferation of cybersecurity data generation and application endpoints that need to be integrated.

The Group's operations are based in Cork (Ireland, where Smarttech247's head office is based), London, Belfast, Krakow (Poland) and Bucharest (Romania). Smarttech247 employs over 100 people at its various offices, which operate as security operation centres ("SOCs") and provide human diagnostic of AI driven MDR services. The operations are ISO9001/ISO27001 NSAI and Cyber Essentials certified and deliver a wide range of cybersecurity solutions, including 24/7/365 Managed SOC Services, GRC (Governance, Risk and Compliance), Incident Response and Penetration Testing. Smarttech247's innovative services are designed to enhance the efficacy of companies' security infrastructure and deliver cybersecurity solutions that build and optimise companies' protection, detection and remediation strategies.

Smarttech247 defines the concept of automated MDR category as offering a blend of automation and human analysis that leverages technology where possible to produce a good client outcome. Smarttech247 recognises the need for human expertise within MDR and the necessity to blend skilled analysts with AI techniques to manage the increase of data resulting from the further uptake of hybrid and pure cloud services. To that end, Smarttech247 understands that while there is great value in well-established investigative techniques, there is growing need for AI and machine learning.

The Directors believe that Smarttech247 has a growing reputation as a trusted provider of innovative cybersecurity solutions to international companies. Smarttech247's business model has resulted in it being awarded a number of significant contracts with key customers in the past year. As a result of its established and recently-released AI products, research and development and client deployment, the Group is well placed to develop Automated MDR and to entrench and further expand its position in the market, capitalising on its experience and achievements to date.

### **3. THE CYBERSECURITY MARKET**

Cybersecurity is how individuals and organisations reduce the risk of cyberattack. The core function of cybersecurity is to protect the devices in common use (smartphones, laptops, tablets and computers), and services – both online and at work – from theft or damage. Cybersecurity is also about preventing unauthorised access to the vast amounts of personal information people store on these devices and online.

In the post Covid-19 pandemic period, cybersecurity providers are being required to change in order to meet their customers' evolving needs in the increasing application of cloud infrastructure. An example of this is that there has been an increase in "spear-phishing" attacks since the start of the pandemic. Phishing is generally defined as being a series of attacks through multiple channels, including email, mobile, social media and phone calls. Most phishing attacks share common characteristics (such as an urgency to act or an impersonation of an individual or brand) and attacks will often seem topical or tailored to increase the likelihood of a victim taking the lure.

In recent years the cyber threat landscape in multiple countries has become increasingly risky. This is evidenced by the number of publicly reported data breaches climbing significantly past 2020's total. 2021 was, according to Mimecast, the worst year on record for cybersecurity breaches. Phishing was the biggest culprit, with 36% of data breaches involving employee credentials stolen through a phishing attack. With respect to such phishing attacks, 96% were identified to occur through email.

The issue is not exclusive to direct phishing attacks, it has also been identified that ransomware was more prevalent in 2021. According to recent reports in the US, 84% of US organisations reported phishing or ransomware attacks in 2021. In such reports, the average ransomware payment climbed to \$570,000 during the first half of 2021, up from \$312,000 in 2020.

It is important to note that the trends are not purely focussed on the US. It has been reported that UK organisations have experienced a 62% increase in cyber threats since 2020. These issues have not been exclusively resolved by anti-virus software, the approach required is more complex.

The risks associated with cloud-based or cloud-enabled operations, the shift to a much greater degree of remote working and the growing sophistication of cyberattacks are driving the need for innovation within the cybersecurity industry. Remote working increases the number of "endpoints" within an organisation which increases the areas of potential weakness for an organisation as there are increasing channels of attack of a system. Questions need to be asked when organisations implement their remote working environments such as whether laptops and phones issued by an organisation are protected and whether there are steps in place to protect sensitive data by information barriers or restricted access.

Furthermore, as technology develops, increasingly modern application stacks consist of open source software (**OSS**). It has been reported that typically 70% to 90% of a stack will include pre-existing OSS. But many organisations are not prepared for the risks this presents, or even worse, they are unaware of the risk entirely. In a report commissioned with The Linux Foundation, it was identified that:

- only 49% of organisations had a security policy that covers OSS development or use;

- 34% of organisations indicate that they do not have a security policy for OSS development and usage; and
- 17% of respondents were not sure if their organisation had a plan or not.

Assuming this final category of 17% of respondents was pro-rated, based on the distribution of known responses, the number of organisations with a security policy covering OSS rises from 49% to 59%, and those without a policy rise from 34% to 41%. In essence, a huge number of organisations utilise OSS in their systems but have no, or limited, understanding of the risk this presents to them.

The speed and sophistication of modern cyberattacks drives the requirement for innovative solutions and the development of proprietary cybersecurity centric technology. This technology, in conjunction with human interfaces, is designed to establish more effective resistance against cyberattacks. The use of AI by cyberattackers has made it harder to defend against persistent attacks. Organisations are therefore vulnerable to cyberattacks with the increasingly complex and fragmented digital operations arising from modern enterprises. The systems often blur the boundary between the internal networks and external interfaces; often unintentionally creating weakness for data exploitation and proliferation; which can overcome security teams within global organisations. In short, the internal resources of global organisations may not be enough to tackle the growing risk of attack within an increasingly fragmented digital environment. This presents significant opportunity for Smarttech247.

#### 4. SMARTTECH247'S POSITIONING

It has been noted that with sophisticated cyberthreats on the rise, organisations must continue to evolve by using new and/or innovative strategies and technology. For cybersecurity providers, the challenges and opportunities are numerous.

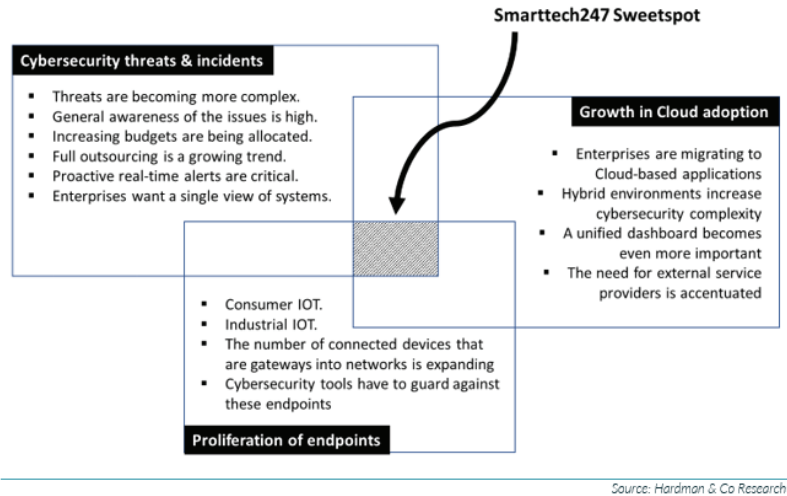
In a report by McKinsey in January 2022, it is highlighted that there are four aspects that need to be addressed by cybersecurity providers to their customers:

1. **Improve visibility into digital infrastructure** – McKinsey notes that only a modest proportion of even larger enterprises analyse and log their data, with the proportion falling significantly for cloud-based applications and data.
2. **Address technology fragmentation** – companies often have in excess of a hundred third-party security tools in deployment. Applications are procured and layered on top of existing applications to protect from the perceived next threat.
3. **Manage the talent gap** – last year, there were over three million unfilled job vacancies in the international cybersecurity market. AI tools may help, but recruiting and training people is a strategic imperative.
4. **Demonstrate Return on Investment for customers (ROI)** – organisations often struggle to measure the financial returns on investment in cybersecurity tools. Providers should address these business questions as well as technical aspects.

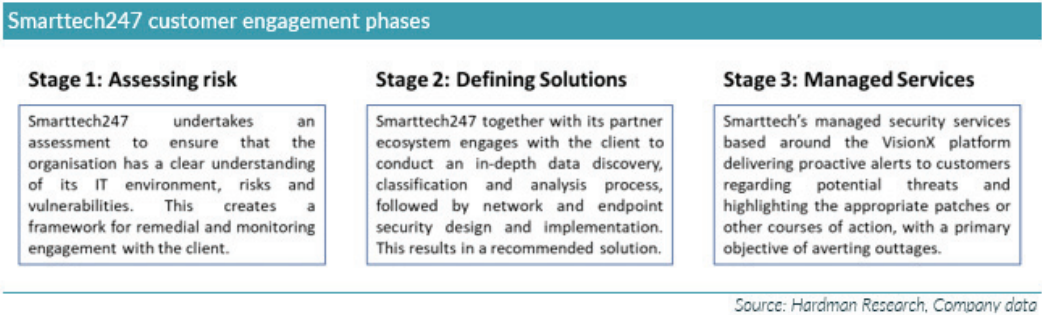
Smarttech247's business model involves an application of these four identified aspects of a successful cybersecurity operation:

1. Smarttech247 undertakes an assessment of the existing IT environment to ensure that its customer has a detailed assessment of potential vulnerabilities and risks.
2. Smarttech247 integrates multiple vendors to provide the customer with a unified reporting view of these technologies.
3. As a specialist provider of managed services, Smarttech247 takes away from the customer the burden of hiring and retaining scarce cybersecurity personnel in a competitive market for talent. Providing the surety of security, whilst reducing the impact of identifying those that can genuinely help protect the operation.
4. As detailed in the ROI analysis that Smarttech247 commissioned from Forrester in 2021, Smarttech247 is confident in its offering providing a clear framework to potential customers seeking to present such data to their own decision-makers. Smarttech247, continues to develop further its ROI offering for customers by the growing portfolio of proprietary technologies leveraging AI and machine learning.

The Smarttech247 model ingests the technology within an organisation’s cloud-based, or cloud-linked, system to enable an integrated service with Automated MDR and third party reseller arrangements (with supplementary cybersecurity linked software).



Smarttech247 is proud to actively involve its customers in the review of their own systems, identifying threats and taking responsibility for steps that are to be taken to improve the security of the Company. Regular client meetings with Smarttech247 representatives enable the team within Smarttech247 to identify where the responsibilities of Smarttech247 i.e. and what further steps that can be taken to further secure the digital information of the customer. The importance of customer participation is key, Deloitte reported that in 2020, 95% of cloud security failures were “the customer’s fault”.



Smarttech247 acknowledges that risks are inherent in a cloud-enabled environment with multiple users, but the steps taken in conjunction with the customers are designed to mitigate that risk as close to zero as possible.

*Industry Recognition*

Smarttech247 has received considerable industry recognition with respect to its products and people:

- Featured as a Fast 50 Technology Company by Deloitte Ireland 2021
- Released Forrester Threat Intelligence report showcasing over 300% ROI of using the Smarttech247 platform
- Smarttech247 CEO named Women in Technology Advocate 2021
- Awarded a place on the national Office of Government Procurement framework for the supply of security products to Irish government entities
- Featured in ThinkBusiness top 29 cybersecurity companies to watch in 2021

**Award Winning ISO 9001 / 27001 NSAI**  
Certified SOC

**Gold IBM, Palo Alto Networks and Microsoft**  
Partner

**SOC/Operating Locations** – Cork, Krakow,  
Belfast and Bucharest

Security Consultancy

**First Security Provider Globally** to Implement  
IBM  
Watson for Cyber Security

High degree of R&D Focus and strong innovation  
pipeline



**Winner Beacon Award 2019**  
Outstanding Security Solution



**5. PRODUCTS**

VisionX



Smarttech247’s VisionX (Managed Detection and Response) platform is a cybersecurity service providing 24/7 proactive threat detection and response, using cloud data analytics, machine learning and an incident response capability. In the Directors’ experience, as the sophistication of cyberattacks grows, the urgency for organisations to defend against them in real time is also becoming difficult — yet more and more essential. VisionX uses real-time predictive analytics to detect and protect against potential attacks. Smarttech247 also provides ThreatHub, which can connect to VisionX, helping to reduce security risks by informing organisations of the latest threats and vulnerabilities via its alert system across multiple sources, addressing regulatory compliance requirements.

**VisionX – Total Economic Impact Study**

Smarttech247 commissioned Forrester Consulting to produce an independent Total Economic Impact™ (TEI) study to examine the potential return on investment (ROI) enterprises may realise by deploying the VisionX platform.

The study found that key results from investing in the VisionX platform include a reduction in production downtime from cyber-attacks, as well as cost savings from retired security platforms and specific workforce overhead. This increases the ROI of VisionX compared to other similar products. Qualitative benefits include 24/7 coverage and access to Smarttech247’s 24/7 security team to assist with response and remediation. This allows security engineers to save significant time and refocus effort on higher-value tasks. VisionX’s reporting capability also helps to show board level executives how the investment is supporting a better security posture for the organisation.



## NoPhish



NoPhish is an email parsing tool created by Smarttech247 that enables organisations to quickly identify and mitigate phishing attacks in a matter of minutes. The NoPhish automation and response platform uses threat intelligence and Sandbox APIs to automatically scan a user – reported email, identify indicators of compromise and generate a report for analysis. NoPhish flags any IPs, URLs, or attachments that come back with a malicious threat intel report. The platform also identifies more complex phishing attempts and enables Smarttech247's analysts to step in and investigate the reported email. This enables fast response actions to be taken to remove threats. NoPhish integrates with Microsoft Outlook for business.

## Threathub



Threathub is a Threat Modelling product that provides organisations with access to automated enterprise threat modelling benefits. Threathub provides additional As-a-Service benefits across the platform and can be delivered to clients remotely using the cloud.

## **6. CUSTOMERS AND INTEGRATION PARTNERS**

Smarttech247 has a portfolio of blue-chip customers and integration partners.

### *FY21 and FY22 wins:*

New enterprise customer wins: Aptiv, 4DMT, Institute of Cancer Research, Pluto Digital, Ervia, St. Vincent's, St. Michael's, Beaumont Hospital, CluneTech, Mater Private Hospital, AppFire.

Brand-New key partnerships: Tanium, Sentinelone, Cybereason, Armis, Claroty, Okta, Swimlane.

### *Key Customers*

Smarttech247 has won numerous, multi-year Managed Security contracts with established global and international companies. Its top 10 Managed Security customers (multi-year contracts) are set out below. The revenue from these customers ranges between 2% and 9% with the aggregate revenue between the Top 10 customers representing 49% of the FY21 revenue.

1. APTIV Global – a technology company that develops safer, greener and more connected solutions that is part of the future of mobility
2. Aрызta – a speciality frozen bakery provider and an international supplier of baked goods to the foodservice, retail and quick service restaurant sectors
3. ASL Aviation Holdings – an aviation services provider for major cargo and passenger customer airlines
4. BioMarin Pharmaceutical – a developer of biopharmaceuticals for rare diseases driven by genetic causes
5. Dairygold – a supplier of premium cheeses & dairy products
6. Ervia – a multi-utility company distributing pipeline natural gas, water services and dark fibre services in Ireland
7. Institute of Cancer Research UK – one of the world's most influential cancer research organisations

8. Kerry Group Global – an international taste and nutrition company
9. Royal College of Surgeons Ireland – a medical professional body
10. San Francisco Credit Union – a credit union organisation based in San Francisco, US

### ***Integration Partners***

A number of third parties work with Smarttech247 in the delivery of the full service automated MDR Platform to be integrated into the customer's infrastructure, They include IBM, Splunk, Microsoft, AWS, Tanium, Trend Micro, SentinelOne, Crowdstrike and Armis.

### ***Accreditations and client satisfaction***

Smarttech247 is certified to ISO27001 and ISO9001 by NSAI (National Standards Authority Ireland) since 2014.

As part of its ISO27001 certification, Smarttech247 has implemented strict security controls that govern elements such as information security policies, HR security and operational security measures.

Smarttech247's strict ISO9001 guidelines mean there is a high focus on customer satisfaction and quality of services. As a provider of expert cybersecurity risk management solutions, the Directors believe it is imperative to provide customers with this assurance.

Following an internally-run customer satisfaction process, the customer satisfaction score for 2021 was 9.8 (out of 10), further showcasing a focus on maintaining quality services.

In 2020, Smarttech247 was certified to Cyber Essentials UK.

## **7. THE MARKET SECTOR AND COMPETITION**

The global cybersecurity market is highly fragmented and competitive, it comprises several international and regional players, ranging from small, niche operators to large global technology companies. Many of the smaller firms look to innovate in order to achieve a long term competitive advantage. Newer fields, such as AI, Big Data and IoT and accelerating cloud adoption, are reshaping security trends. This fragmentation may present potential acquisition opportunities for the Group.

Some of the key players operating in the global cyber security market analysis include Accenture, AVG Technologies, Broadcom, Capgemini, Cisco, Cognizant, F5 Networks, HCL Technologies, IBM, Infosys, L&T Technology Services, PwC, Tata Consultancy Services, Tech Mahindra and Wipro. These organisations comprise a mix of services and product companies, each of which have adopted various strategies to increase their market penetration and strengthen their position in the cybersecurity industry.

In general, the technology providers are focused on endpoint management, which is part of the security picture. Smarttech247 is pulling together the offerings of many of these technology vendors to provide a more comprehensive and automated solution. Combining the VisionX platform with the managed services offering creates competitive differentiation for the company. Major new customers such as APTIV have highlighted factors like this as the reason for selecting Smarttech247.

## **8. CONTINUED DEVELOPMENT**

The Directors' believe that Smarttech247's technical expertise provide it with a strong in-house capability to continue developing its own proprietary IP and technology. The new proprietary security multi-tenancy platform, VisionX, launched on 24 June 2022 and a new Threat and Vulnerability software, ThreatHub, launched in August 2022. Each of these innovative solutions provides value to scaling and growth, in terms of both revenue and continued profitability.

### ***Marketing Strategy***

Smarttech247 has a clear, refined marketing strategy based on growth within a target sector and separately through the expansion of existing customer engagements.

## Targeting

- Mid-Market – focus initially on the UK & DACH Regions for retaining established customers and identifying new customers.
- Cloud security market is currently estimated to be worth £40 billion (projected to grow to £68 billion by 2025).
- Sales cycle for mid-market is generally four weeks and the sector is underserved based on the opportunities to tender that are currently available.
- There is a key opportunity to scale quickly as organisations adopt digital transformation and cloud.

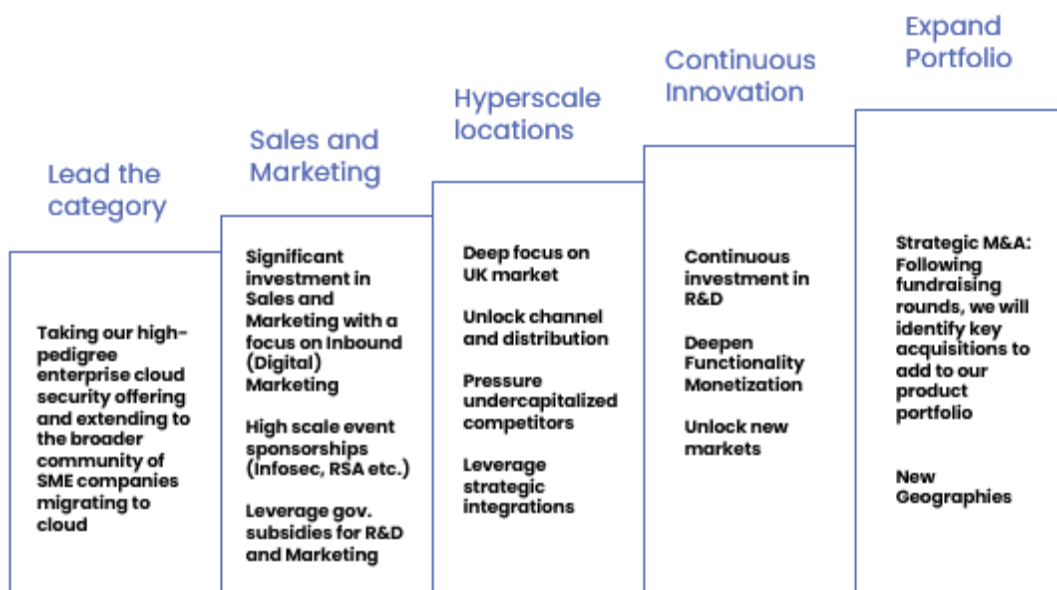
## Strategic Partnerships

- Smarttech247's strategy is to be highly-embedded in the cloud eco systems.
- Smarttech247's goal is to win clients by providing a more cost-effective (based on ROI) and comprehensive solution.

## Marketing

- The go-to-market aims to leverage the analyst community including Gartner, Forrester and IDC.
- The investment for scaling the go-to-market operations will include inside sales and digital marketing.
- Event Marketing including its flagship conference in Dublin and Washington DC in 2022 which attracted over 500 attendees.

## Scaling Strategy



## 9. KEY STRENGTHS

- Smarttech247 is a “pure play” cybersecurity business – simplicity in mission and execution;
- Strong research and development capability;
- Recognised quality of service and certifications; and
- Portfolio of long-term clients.

## 10. OPERATIONAL FEATURES

### **Personnel**

Smarttech247 has the following employees and consultants engaged within the business:

- 38 employees & 2 consultants engaged in Cork
- 3 employees engaged in Belfast
- 12 employees engaged in Krakow
- 61 employees engaged in Bucharest

There are no permanent employees or consultants engaged in New York or London.

Since 31 July 2020, the personnel of Smarttech247 has increased by 66%.

Within the Smarttech247 the division of the personnel is as follows:

- 10% Research and Development
- 40% Managed Services
- 10% Sales
- 40% Administration and Operations

### **Interaction with GetVisibility**

Visibility Blockchain Limited (trading as GetVisibility) ("**GetVisibility**") was established in 2018 and was formed as a spin-out from Smarttech247. GetVisibility was determined, at the time, to require its own separate corporate vehicle and operations given the anticipated capital requirements in the development of its envisaged proprietary technology. GetVisibility has developed proprietary software that uses artificial intelligence to discover, classify and protect unstructured data typically contained in PDFs, spreadsheets and text documents. In doing so GetVisibility aims to help organisations better visualise their data footprint to ensure more proactive management and security.

In March 2020 GetVisibility secured funding from Sure Valley Ventures and its co-investors. This funding round was for €1.25m.

In March 2022 GetVisibility undertook a €10m Seed A round, in which Sure Valley Ventures participated to increase its investment.

GetVisibility is both a customer of Smarttech247 and a supplier. These arrangements link to contracts for services to be provided by Smarttech247 as well as re-seller arrangements.

GetVisibility customer revenue breakdown for balances due to Smarttech247:

- Revenue year ended 31 July 2019 – €65,500
- Revenue year ended 31 July 2020 – €108,920
- Revenue year ended 31 July 2021 – €237,289
- Revenue 6-month period ended 31 January 2022 – €125,945

GetVisibility reseller commission due from Smarttech247:

- Commission year ended 31 July 2019 – €13,100
- Commission year ended 31 July 2020 – €26,310
- Commission year ended 31 July 2021 – €54,542
- Commission 6-month period ended 31 January 2022 – €22,045

Further to the above, GetVisibility sub-leases part of the offices of Smarttech247 for a rent of €23,790 per annum. The key terms of the sub-lease are summarised in an intercompany agreement.

Smarttech247 holds 3.66% of the issued preference A share capital of GetVisibility.

Ronan Murphy, through Amplified Technologies, holds 24.8% of the issued share capital of GetVisibility.

## **11. DIRECTORS AND KEY MANAGEMENT**

Brief biographical details of the Directors, senior management and the board advisers to Smarttech247 are set out below:

### **11.1 Directors**

#### **Ronan Murphy, Executive Chairman (aged 44)**

Ronan is an accomplished executive with over 20 years' experience in the tech industry. Ronan is a well established cybersecurity innovator, and expert. As founder and Executive Chairman, Ronan has led the company since its beginnings in 2011 to become a well-established European cybersecurity brand trusted by its clients.

#### **Raluca Saceanu, Chief Executive Officer (aged 33)**

Raluca is the CEO for Smarttech247. Raluca joined the company in 2014 and she is responsible for the firm's strategy, solutions portfolio and international operations. Raluca is focused on operational excellence and works closely with all departments to drive customer relationships and overall company growth. She regularly advises clients on strategic security initiatives and is often cited in online and print media on topics such as risk, privacy and data security. Raluca holds a Master of Science degree from University of Innsbruck. Raluca was named Women in Tech Advocate by Deloitte in 2021.

#### **Nicholas Lee – Executive Finance Director (aged 59)**

Nicholas Lee has over 30 years of experience in international investment banking and working as a company director. He qualified as a chartered accountant with Coopers & Lybrand and has a degree in engineering from St John's College, Cambridge. He worked for Dresdner Kleinwort and its antecedent firms from 1988 to 2009, rising to Managing Director, Head of Banking, Hedge Fund Solutions Group. During this period, he advised leading companies from a number of different industries. Since then, he has been actively involved in AIM as a director of a number of listed companies.

#### **Sarah Cope, Senior Independent Non-Executive Director (aged 50)**

Sarah Cope, has over 24 years' experience as an investment banker in London, advising small and mid-sized companies at board level on corporate governance, strategy, amalgamations and disposals, capital markets and regulatory compliance. Previously, she has advised AIM listed companies as both Nominated Adviser and Broker, assisting publicly traded companies to raise finance for their growth strategies. Accordingly, she has experience of AIM regulations and compliance. Sarah is a Non-executive Director of AIM traded Eneraqua Technologies plc and Helium One Global Limited.

#### **Michael Connolly, Independent Non-Executive Director (aged 62)**

Michael is currently Chief Information Officer for Ireland East Hospital Group (IEHG), having worked in ICT for over 30 years with Healthcare roles in Our Lady's Hospital in Crumlin and with Mater Misericordiae University Hospital. He has a PhD in Healthcare Informatics from UCD School of Medicine and undergraduate degrees from DCU. Michael has completed Lean Six Sigma Green belt and is registered as a Data Protection Officer. A Prince certified project manager with successful projects delivered in Cloud, Network, Data Centre, IT Security, Infrastructure design and Software solutions. Prior to working in Healthcare, Michael worked with Local Authorities and Leader groups. He also lectures on Healthcare Informatics and Clinical research post graduate programs in UCD.

### **11.2 Senior Management**

Details of key senior management within the Group are set out below:

#### **Andy Grzess, Head of Technology of Smarttech247**

Andy is an experienced Head of Technology with a passion for cybersecurity. In his role at Smarttech247, Andy leads the delivery of cyber defence technologies and services to enterprise customers. Andy dedicated the last eight years of his 20-year IT tenure to cybersecurity, advising clients and peers on policy, technology, trends and architecture associated with security.

### **Christopher Galicki, Director of Threat Intelligence Hub & Pentesting**

Christopher is the Director of Threat Intelligence Hub and Penetration Testing Services at Smarttech247. Christopher is responsible for delivering BAU Penetration Testing, Red Team Engagements, Vulnerability Assessments, DFIR and Cyber Consultancy services for Smarttech247 clients across public and private sector firms globally.

### **Edward Skraba, Chief Technical Officer of Penetration Testing and ThreatHub**

As CTO of Penetration Testing and ThreatHub, Edward is developing and deploying processes and procedures of offensive security by implementing automation and researching new technology. He leads a team of technical experts and has implemented a variety of offensive security capabilities within Smarttech247.

Before joining Smarttech247 Edward worked for over a decade within the application development industry where he was responsible for managing teams of developers, involved in the architecture and design of a wide range of projects.

He holds industry recognised certifications including Offensive Security Certified Pentester, CREST Practitioner Security Analyst and Registered Penetration Tester, IBM Certified Deployment Professional. He has a wide range of technical knowledge from full-stack application development, servers management, network and cloud infrastructure and cybersecurity.

### **Adina Dumitrescu, Head of Project Management Office**

Adina Dumitrescu is the Head of Project Management Office. With a decade experience in project management working with enterprise clients, Adina has set up the Project Management Office in Smarttech247 with the objective that all projects are delivered using a 'best-practice' project delivery approach and within the agreed scope, time, cost and quality.

The PMO manages large cross-functional projects and programs for customers across different countries and time zones from various industries such as: Airlines, Automotive, Banking, Law, Insurance, Food & Beverage, Health, Pharmaceutical, Transportation, Education, Financial and Public sector.

### **Martin Desmond, Financial Controller and Company Secretary**

Martin Desmond joined the Smarttech247 team in 2013 as the Financial Controller. Leading the Finance team, Martin is responsible for the delivery of finance operations such as accounting, reporting, budgeting and insurance management, in accordance with legislative requirements and organisational policies and strategies.

### **Alexandru Sandu – SOC Manager**

Alexandru is the Smarttech247 Security Operations Centre Manager. Alexandru is based in Bucharest and manages a team of 45 people. Alexandru is an experienced Security Operations Manager with a demonstrated history of working in the information technology and services industry. Skilled in Threat & Vulnerability Management, Security Monitoring, Threat Intelligence, Incident Response, Digital Forensics, Electronic Discovery and Risk Management.

## **11.3 Board Advisers**

Details of board adviser (being industry experts) retained by the Group are set out below:

### **Chris Houlder**

Chris Houlder's background includes success as a CISO with nearly 25 years of experience spanning information security, team management, information technology and product/software security.

With experience working with companies of various sizes across different stages of development, Chris brings knowledge and expertise in creating tailored information security strategies to meet company needs. Across his career, Chris has helped organisations through significant business transformations, from participating in dozens of mergers and acquisitions on both sides, seeing company development through purchase and divestiture and taking companies public.

## **Justin Ralph**

Justin Ralph joined RCSI as Chief Technology Officer in 2017. Justin is a member of the Senior Management Team of RCSI. Justin is responsible for the IT Department and the implementation of the Digital Strategy of RCSI. Prior to joining the College, Justin served as Business Transformation Lead at BearingPoint for over a decade, where he led a number of programmes. He has also worked with KPMG in the US, UK, and Ireland. Justin graduated from TCD with a Bachelor in Accounting and Strategic Management in 1992. He also holds a Postgraduate Diploma in Information Technology from the NUI, Maynooth (1993), completed an MBA in Finance at Boston College in 1996 and passed the CPA (Certified Public Accountant) exams in Massachusetts in 1998.

## **Sascha Maier**

Sascha Maier is the Head of IT & Cyber Resilience of IWC Schaffhausen, the well-known luxury watch manufacturer from Schaffhausen. In his role, Sascha has been responsible for the IT & Information Security of IWC at all locations since 2012. By setting security standards, assessing security risks and implementing countermeasures, he and his team aim to ensure the success of the Digital Transformation at IWC.

## **12. EMPLOYEE INCENTIVE SCHEMES**

The Board recognises the importance of share participation as a mechanism for recruiting, incentivising and rewarding Directors and employees. The Board has adopted a long term incentive plan under which (conditional upon Admission) shares representing a maximum of 7% of the Adjusted Enlarged Issued Share Capital of the Company will be granted. Please refer to paragraph 15 of Part VII of this Admission Document for further details of the LTIP.

## **13. CURRENT TRADING, OPERATIONAL TRENDS AND FUTURE PROSPECTS OF THE GROUP**

Smarttech247 has a track record of year-on-year revenue growth and increasing profitability. In FY21 it achieved 20% over projected revenue and 50% growth compared to FY20. The financial year end is 31 July 2022 and Smarttech247 is on track to achieve further revenue growth.

Furthermore, FY21 and FY22 have resulted in new contracts including Global SOC for APTIV, Institution of Cancer Research, CluneTech, 4DMT, major hospitals in Ireland and more. These contract wins are reflected in the revenue growth for these financial periods.

The COVID-19 pandemic has accelerated Smarttech247's business growth due to the increased number and sophistication of global cyber threats, as well organisations' accelerated journey to the cloud as a result of, amongst other things, increased remote working.

In 2021, Smarttech247 launched its first security proprietary software product, NoPhish, an automated managed phishing platform. In 2022 the new proprietary security multi-tenancy platform, VisionX, launched on 24 June 2022 and a new Threat and Vulnerability software, ThreatHub, launched in August 2022.

In July 2022 (within a month of launch) Smarttech247 entered into its first multi-year VisionX contract with a three year term and an aggregate revenue of €270,000. This contract is in line with the go-to-market strategy for VisionX. In September 2022 Smarttech247 also entered into a three year VisionX contract with a large US car retailer with aggregate revenue of \$255,000 in the first year. Revenues received in the second and third years under the contract are expected to be in the same region in each case.

Save as disclosed, the Directors are not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.

## **14. FINANCIAL INFORMATION**

Historic financial information on the Company's subsidiary, Zefone Limited, is set out in Part III of this Admission Document.

The following information has been extracted from the historic financial information.

	2021	2020	2019
	€	€	€
Revenue	7,225,479	4,823,941	3,658,731
Gross profit	4,066,050	3,292,064	2,439,383
Total comprehensive profit for the year	1,146,570	718,856	203,532
Net assets	3,132,370	1,985,800	1,266,944

The Board considers that during the years ended 31 July 2019, 31 July 2020 and 31 July 2021 the Group operated in the single business segment of MDR capabilities to global organisations.

The whole of the Group's revenue is recognised in the Republic of Ireland and is derived from the principal activity of providing MDR capabilities to global organisations, and associated services including penetration testing, governance risk and compliance and cyber consultancy.

Within the sales revenue, there was one customer that accounted for greater than 10% of total revenue of the Group in the year ended 31 July 2021 contributing €1,432,421 (2020: Nil / 2019: Nil).

Notes:

1. This information relates to Zefone Limited, the Company's wholly owned subsidiary and the subsidiaries of Zefone Limited.
2. Information in relation to the Company is not summarised here as it is not material given very limited activity since incorporation.
3. This information relates to past performance only. Past performance is not a reliable indicator of future results.

## 15. PLACING

The Company has conditionally raised approximately £3.7 million (before expenses) by the issue of the Placing Shares at the Placing Price.

Under the Placing Agreement, Shard has conditionally agreed to use reasonable endeavours to procure subscribers for the Placing Shares. The Placing Shares will rank *pari passu* with the Existing Ordinary Shares. The Placing Shares will be created under the Companies Act. The Placing is not underwritten or guaranteed. On 30 November 2022, the Company received the decision of its sole member authorising the allotment of Ordinary Shares up to a nominal value of £667,991.85 on a non-pre-emptive basis, from which authority the New Ordinary Shares will be allotted.

Following their issue, the Placing Shares will represent approximately 10.0 per cent. of the Enlarged Issued Share Capital.

Further details of the Placing Agreement are set out in paragraph 14 (iii) of Part VII of this Admission Document and the terms and conditions of the Placing are set out in Part VIII of this Admission Document.

The Placing is conditional on, amongst other things: (a) the Company and the Directors having complied with all of their respective obligations under the Placing Agreement to the extent that such obligations fall to be performed prior to Admission; (b) the Company, the Directors and Zefone Limited having duly entered into all documents necessary in order to give effect to the reorganisation envisaged by the Share Exchange Agreement; (c) the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; and (d) Admission having become effective by no later than 8.00 a.m. on 15 December 2022 or such later time being no later than 5.00 p.m. on 6 January 2023, as the Company, SPARK and Shard may agree.

## 16. USE OF PROCEEDS

The Group intends to use the net proceeds of the Placing for the following purposes:

- £1.0 million to support expansion into new products and geographies;
- £0.2 million for development of proprietary technology;
- and
- £1.6 million for general working capital purposes.



## **17. ADMISSION TO TRADING ON AIM AND DEALINGS IN THE ISSUED SHARE CAPITAL**

Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on or around 15 December 2022. Definitive share certificates in respect of the Placing Shares will be despatched on or before 2 January 2023.

The Ordinary Shares are ordinary shares of £0.01 each in the capital of the Company, issued in British Pound Sterling. The New Ordinary Shares will be created under the Act. On Admission, the Ordinary Shares will be in registered form and capable of being held in certificated form or in uncertificated form being settled in CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the requirements of CREST. The Articles permit the hold and transfer of Ordinary Shares to be evidenced in uncertificated form. Accordingly, settlements of transactions in Ordinary Shares may take place within the CREST system if the relevant shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificated will be able to do so. The Company's registrar is Neville Registrars Limited of Neville House, Steelpark Road, Halesowen, B62 8HD.

On Admission, the Ordinary Shares will have the ISIN GB00BMGNDN03 and SEDOL BMGNDN0. The Ordinary Shares will not be dealt with on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other such exchange.

SPARK and Shard have been retained as the Company's nominated adviser and broker respectively in relation to Admission. Further details of SPARK's, and Shard's engagements are set out at paragraphs 14(iv) and 14(x) respectively of Part VII of this Admission Document.

## **18. CORPORATE GOVERNANCE**

The Directors recognise the importance of sound corporate governance and confirm that, following Admission, they intend to comply with the QCA Code. The QCA Code has become a widely recognised benchmark for corporate governance of smaller quoted companies, particularly AIM companies.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board will at Admission comprise three executive directors and two non-executive directors. The Board considers the two non-executives directors, being Sarah Cope and Michael Connolly to be independent and, as such, the Company complies with the requirements of the QCA Code in this regard. Sarah Cope will act as Senior Independent Non-Executive Director.

With effect from Admission, the Board has established the Risk Committee and Remuneration Committee. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Following Admission, the Board will meet at least once a month to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals.

### **Audit Committee**

The Audit Committee will be chaired by Sarah Cope and its other member will be Michael Connolly, both of whom are independent non-executive directors. The Audit Committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Group. The Audit Committee will meet at least twice a year and additionally when necessary.

Compliance with the AIM Rules and Market Abuse Regulation will be covered within the Audit Committee.

### **Remuneration Committee**

The Remuneration committee will be chaired by Michael Connolly and its other member will be Sarah Cope, both of whom are independent non-executive directors. The Remuneration Committee will meet at least once each year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group. At this stage, the Board does not believe that there is a requirement for a separate Nominations Committee and matters relating to nominations will be covered within the Remuneration Committee.

### **Share dealing code**

The Company will continue to adopt a share dealing code for the Board and all employees, which is appropriate for a company whose shares are admitted to trading on AIM which conforms with the requirements of AIM companies. The Company will take all reasonable steps to ensure compliance with such share dealing code by the Board and any relevant “applicable employees” and compliance with the AIM rules.

The share dealing code will ensure the Company remains in compliance with the Market Abuse Regulations (MAR) which came in to effect on 3 July 2016. The Board recognises the importance of, and compliance with, the MAR relating to the disclosure of inside information and disclosure of deals by persons discharging managerial responsibilities (“PDMR”) and persons closely associated (“PCA”). As above, responsibility for compliance with MAR is that of the Board.

### **19. THE CITY CODE ON TAKEOVERS AND MERGERS**

The Takeover Code (the “Code”) applies to the Company. Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30% or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

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

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

The Company has agreed with the Panel that the following persons are acting in concert in relation to the Company: Ronan Murphy (whose shares are held via Amplified Technologies Limited) and Plumtree Capital (acting as trustee for Amplified Technologies Limited).

Following Admission, the members of the concert party will be interested in 86,572,826 shares, representing 69.77% of the voting rights of the Company. A table showing the respective individual interests in shares of the members of the concert party on Admission is set out below.

### **Concert Party Interests:**

<b>Shareholder</b>	<b>Number of Voting Rights at the date of this Document</b>	<b>Percentage of voting rights at the date of this Document (%)</b>	<b>Number of voting rights at Admission</b>	<b>Percentage of voting rights at Admission (%)</b>
Amplified Technologies Limited*	74,447,389	85.08	74,447,389	60.00
Plumtree Capital (acting as trustee for Amplified Technologies Limited)	12,125,437	13.86	12,125,437	9.77
<b>Total</b>	<b>86,572,826</b>	<b>98.94</b>	<b>86,572,826</b>	<b>69.77</b>

\* Amplified Technologies Limited is wholly owned by Ronan Murphy (Executive Chairman)

Following Admission, the members of the concert party will hold shares carrying more than 50% of the voting rights of the Company and (for so long as they continue to be acting in concert) may accordingly increase their aggregate interests in shares without incurring any obligation to make an offer under Rule 9, although individual members of the concert party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Panel consent.

Further information on the provisions of the Code can be found at paragraph 6.1 of Part VII of this Document.

#### **20. UK BRIBERY ACT 2010**

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has implemented an anti-bribery policy as adopted by the Board and also implemented appropriate procedures to ensure that the Directors, employees and consultants comply with the terms of the legislation.

#### **21. RISK FACTORS**

**Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the Risk Factors set out in Part II of this Admission Document.**

#### **22. TAXATION**

General information relating to United Kingdom taxation is set out in Part VI of this Admission Document. If you are in any doubt as to your tax position, you should contact your professional adviser immediately.

Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

#### **23. FURTHER INFORMATION**

**Shareholders should read the whole of this Admission Document which provides information on the Company and the Placing and not rely on summaries or individual parts only. Your attention is drawn, in particular, to the Risk Factors set out in Part II of this Admission Document and the additional information set out in Part VII of this Admission Document.**

## PART II

### RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Before making an investment decision with respect to the Ordinary Shares, prospective investors should carefully consider the risks associated with an investment in the Group, the Group's business and the industry in which the Group operates, in addition to all of the other information set out in this Admission Document and, in particular, those risks described below (which are not set out in any order of priority).

If any of the circumstances identified in the risk factors were to materialise, the Group's business, financial condition, results of operations and future prospects could be adversely affected, and investors may lose all or part of their investment. Certain risks of which the Directors are aware at the date of this Admission Document and which they consider material to prospective investors are set out in the risk factors below; however, the below does not purport to be an exhaustive list, and further risks and uncertainties relating to the Group which may not be currently known to the Directors, or that the Directors do not currently deem material, may also have an adverse effect on the Group's business, financial condition, results of operations and future prospects. If this occurs, the price of the Ordinary Shares may decline, and investors may lose all or part of their investment. An investment in the Group may not be suitable for all recipients of this Admission Document. Potential investors are therefore strongly recommended to consult an independent financial adviser authorised under FSMA and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

**None of the risk factors are intended to qualify in any way the working capital statement given at paragraph 19 of Part VII of this Admission Document.**

#### **RISKS RELATING SPECIFICALLY TO THE BUSINESS**

##### ***Potential adverse effects of cybersecurity attacks on the Group***

As a publicly-traded cybersecurity solutions business, the Group will be a prominent target for potential attacks by third parties attempting to access the Group's MDR Platform and/or the Group's cloud-based IT operations. The Group will also continue to rely on efficient and uninterrupted operation of several information technology systems and networks to operate its business. A cybersecurity breach of a customer could lead to a severe liability or insurance premium; any significant disruptions to, or breaches of, the Group's platform, network or products through a deliberate hack or otherwise could have a material adverse effect on the Group or its customers and may result in the Group incurring the costs of remedying any breach. Should the Group suffer any material impact on its systems as a result of a cyberattack or other operational disruption, the Group may suffer reputational damage leading to a loss of customer, industry and investor confidence, which could further adversely affect the Group's short term and/or long term business, financial condition, results or future operations.

##### ***Infrastructure and foundations of the Group may not support growth***

The Group is at a relatively early-stage of its growth plans and whilst every measure has been taken to build a platform for growth its infrastructure and foundations may not be suitable for the proposed scale of expansion and increase in the complexity of operations. The Group could incur larger than expected costs as it is required to expand operations or may not be able to service clients as envisaged. This could have a material adverse impact on the Group's financial performance.

##### ***The Group's systems and operations of may be affected by certain events outside of its control***

Operation of the Group's business is reliant on certain computer, communication and information technology systems and networks. These systems and networks are vulnerable to damage, breakdown or interruption from events beyond the Group's control, such as natural disaster, network failure, power loss or telecommunications or data network failures. Modifications or upgrades to any information technology systems could also result in interruption to the Group's business. The occurrence of any such damage, breakdown or interruption could adversely affect the Group's business, financial condition, results or future operations.

### ***Use of licences to third-party software and other intellectual property by the Group***

Some of the Group's products include intellectual property licensed from third parties and the Group also uses software and other intellectual property licensed from third parties. Any issues arising in connection with such licences in the future could serve to disrupt the Group's business, either in the form of being unable to obtain or maintain certain licences or other rights, needing to engage in litigation regarding such licences or if such third party right holders wish to renegotiate any licence terms or demand increased fees for the Group's continued use of licences. In the event of any such issues arising, the Group would need to identify and license, or separately develop, equivalent technology for use in its products and services, which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and or prospects.

### ***Dependence on key personnel and employees***

The continued success of the Group depends partly upon the performance and expertise of its current and future key executives and personnel, particularly the Group's executive management, key sales staff, senior analysts and software developers. Any loss of skilled and/or experienced personnel, who may be difficult to replace, could result in a reduction in service levels, an impact on user satisfaction, revenue generation and generally adversely impact the reputation of the Group.

Although the Group provides various incentives for its employees to ensure retention, the Group has a relatively small executive management team, whose skills, knowledge, experience and performance are important to the Group's ongoing success. The loss of such individuals, or the failure to train and attract other high calibre individuals may impact on the Group's business and the Group's ability to achieve its growth targets.

There can be no guarantee that the Group has adequate protection against competitive actions or solicitation of customers from former employees and executives after termination of their employment.

### ***Scarcity of talent***

Various independent sources suggest that, worldwide, there are presently between two million and three million vacancies for people in the cybersecurity industry. The lack of qualified people for these roles creates a challenge for growing providers who are seeking to add to headcount. Smarttech247 has sought to address this by building up significant operations in Romania, where operational costs are materially lower than in the UK. Scarcity of talent also works in favour of the providers, as enterprises are compelled to outsource for the same reason.

***If the Group fails to retain its customers or does not attract new customers, it may be unable to grow its revenues and profitability and effectively invest to enhance the capabilities of its platform, if at all***

As the market for cybersecurity products becomes more saturated, competition for customers will continue to increase. In order to grow revenues, the Group must retain existing customers to the extent possible and continuously attract new customers, and any failure to do so could impact the Group's revenues. The Group growth is dependent on the acquisition of new customers, and its ability to attract new customers depends on the perceived value of its platform versus that of the products offered by competitors. If the Group's current marketing or sales strategy is not successful or becomes less effective, or if marketing costs were to significantly increase, it may not be able to maintain or expand its customer base on a cost-effective basis or at all, and its business may be adversely affected.

Numerous factors could adversely impact the growth of revenues and profits even if the Group continues to gain additional customers. In addition, if the Group needs to expend additional resources in order to maintain existing customers, it could have a significant impact on the Group's business and financial condition.

***If the Group does not effectively expand, train and retain its direct sales force, it may be unable to add new customers or increase sales to its existing customers, and its business will be adversely affected***

The Group depends, in large part, on its direct sales strategy to obtain new customers and increase sales with existing customers. Its ability to achieve significant revenue growth will partly depend on its success in recruiting, training and retaining sufficient numbers of sales personnel.

New hires require significant training and may take significant time before they achieve full productivity.

If sales personnel fail to sell the Group's products, to upsell new products that the Group develops or fail to renew contracts with existing customers which have multi-year arrangements, the Group may lose existing customers.

Recent hires and planned hires may not become productive as quickly as expected, and the Group may be unable to hire or retain sufficient numbers of qualified individuals in the markets in which it does business or plans to do business. The Group does not have a large Human Resources team and hiring sales personnel in new countries, or expanding the Group's existing presence, requires upfront and ongoing expenditures that may not be recovered if the sales personnel fail to achieve full productivity. In addition, the Group's sales employees might perceive that they are paid insufficiently or not adequately trained or mentored which would negatively impact the Group's reputation as an employer and make it more difficult to attract qualified sales personnel. The Group cannot predict whether, or to what extent, its sales will increase as it expands its sales force or how long it will take for sales personnel to become productive. If the Group is unable to hire and train and retain a sufficient number of effective sales personnel, or the sales personnel it hires are not successful in obtaining new customers or increasing sales to its existing customer base, this could negatively impact the Group's business, results of operations, financial condition and prospects.

***The Group's failure to effectively plan, design, and implement upgrades, enhancements or modifications of its information technology systems could interfere with the Group's business and operations and could negatively impact the Group's business, results of operations, financial condition and prospects***

The Group's information systems require an on-going commitment of resources to maintain and enhance existing systems and develop new systems in order to keep pace with continuing changes in information processing technology and evolving industry and regulatory standards. The Group may experience difficulties in transitioning to new or upgraded information technology systems and in applying maintenance patches to existing systems, including loss of data and decreases in productivity as personnel become familiar with new, upgraded or modified systems. In addition, the Group may from time to time obtain portions of its information technology services from independent third parties, which may make its operations vulnerable to such third parties' failure to perform adequately. The Group's failure to effectively plan, design and implement upgrades, enhancements or modifications of its information technology systems and processes, or the failure of the systems to operate in the intended manner could negatively impact the Group's business, results of operations, financial condition and prospects.

***The Group relies on third-party data centres and its own data servers to host and operate an increasing number of deployments of or offerings in its services, and any disruption of or interference with its use of these facilities may negatively affect its ability to maintain the performance and reliability of its service which could cause its business to suffer***

The Group's customers depend on the continuous availability of the Group's services. The Group currently services its customers using a mix of third-party data centres, and its own internal data servers. Consequently, as a result of the cloud-based nature of the services, the Group may be subject to service disruptions as well as failures to provide adequate support for reasons from its third-party data centres that are outside of its direct control. The Group has experienced, and expects that in the future it may experience interruptions, delays and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting, disruptions and capacity constraints.

The adverse effects of any third-party service interruptions may be disproportionately heightened due to the nature of its business and the fact that its customers have low tolerance for interruptions of any duration. Interruptions or failures in its service delivery could result in a cyber-attack or other security threat to one of its customers during such periods of interruption or failure. Interruptions or failures in its service could also cause customers to terminate their subscriptions, adversely affect its renewal rates, and harm its ability to attract new customers.

The Group's business may also be harmed if the Group's customers believe that a cloud-based security solution hosted on third-party data centres is unreliable. The Group may in the future experience, service interruptions and other performance problems due to a variety of factors. The

occurrence of any of these factors, or if the Group is unable to rapidly and cost-effectively fix such errors or other problems that may be identified, could damage its reputation, negatively affect its relationship with its customers or otherwise harm its business, results of operations, financial condition and prospects.

#### ***Risk resulting from international operations***

The Group may be subject to a variety of risks and challenges in managing an organisation operating across various countries, including those related to:

- general economic conditions in each country or region;
- fluctuations in currency exchange rates;
- challenges caused by language, distance and cultural differences;
- human resource processes and procedures;
- frequent regulatory changes in legal systems;
- overlapping tax regimes;
- the Group's ability to repatriate funds held by its international subsidiaries at favourable tax rates or at all
- difficulties in transferring funds to or from certain countries; and
- political unrest, terrorism and the potential for other hostilities.

The above international factors may, if they deteriorate, have a material adverse effect on Group's business, results of operations, financial condition, cash flows and or prospects.

#### ***Currency Risk***

The Group trades predominantly in Euros, though some revenue generated and costs incurred by the Group may be in other currencies including, but not limited to Pound Sterling and the US Dollar. As a result, the Group is subject to foreign currency exchange risks due to exchange rate movements, which will affect the Group's revenue and costs and the translation of its results. The Group does not actively seek to limit its exposure through foreign currency hedging arrangements and any losses incurred as result of adverse currency movements are likely to have an adverse impact on the business, results and financial condition/prospects of the Group.

***The Group may make acquisitions and investments which could divert management's attention, result in operating difficulties and otherwise disrupt the Group's operations and adversely affect its business, results of operations, financial condition and prospects, and such acquisitions and investments may result in dilution to the Group's shareholders***

From time to time, the Group may pursue strategic acquisition or investment opportunities. Any transactions that the Group enters into could be material to its financial condition and results of operations. The process of acquiring and integrating another company or technology could create unforeseen operating difficulties and expenditures. Shareholders may also not have the opportunity to vote on or approve the acquisitions. Acquisitions and investments involve a number of risks, such as:

- diversion of management time and focus from operating the business;
- use of resources that are needed in other areas of the business;
- implementation or remediation of controls, procedures and policies of the acquired company;
- difficulty integrating the accounting systems, IT systems and operations of the acquired company, including potential risks to the corporate culture of the Group;
- retention and integration of employees from the acquired company;
- unforeseen costs or liabilities;
- adverse effects on the Group's existing business relationships with customers and merchants;
- adverse tax consequences;
- litigation or other claims; and

- the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.

In the future, if the Group's acquisitions or investments do not yield expected returns, it may be required to take charges or impairments to its operating results based on this impairment assessment process, which could negatively impact the Group's business, results of operations, financial condition and prospects.

## **RISKS RELATING TO SECTOR THE BUSINESS OPERATES IN**

### ***Technological change and competition***

The sector that the Group operates in is fast-paced, with intense competition from numerous large and small businesses, comprising existing competitors and new entrants to the market. Competition extends to both product offerings and price competition. Such increased competition may result in a decline in the Group's market share, thereby adversely affecting the Group's operating results. Current competitors and new entrants may have access to greater financial and marketing resources which enable them to develop new technology to compete with the Group's current software and service offering, as well as potentially adopting more aggressive pricing models and marketing campaigns, which may place the Group at a significant disadvantage.

There is also no guarantee that competitors or new entrants will not bring with them alternative technologies, products or services to the market the Group serves, which could undercut or negatively impact the Group's service proposition to its customer and user base. While the Group continually invests in innovating the services it provides, even if the Group is able to compete successfully, it may need to make changes to its products or services in order to respond to changes in its customers' needs, which may have a material adverse effect on the Group's financial condition, business, prospectus and results of operations.

The markets in which the Group will operate are fragmented, competitive and rapidly evolving, and there are limited barriers to entry to certain segments of those markets. Further, the services and products of the Group are dependent in part on the industry partners whose products are integrated from time to time into the Group's service continuing to work with the Group.

The Group expects the intensity of competition to increase in the future as existing competitors develop their capabilities and as new competitors enter the market. If the Group is unable to compete effectively or has its services disrupted as a result of new competitor partnerships, it may be difficult for the Group to maintain its market share and add and retain customers.

### ***Cross-border economic, political, judicial and administrative risks***

The Group and its current and prospective customers operate in several countries, each being subject to their own political, judicial, administrative, taxation and regulatory systems. Such systems are entirely outside of the Group's control and changes to these systems could impact how the Group's business is conducted and could result in a material adverse effect on the Group's business, results of operations, financial condition, cash flows and or prospects.

### ***The impact of global conditions on customers of the Group and the potential for revenues to be negatively affected***

The existing economic conditions on a global scale are undergoing significant fluctuations due to macro events including, *inter alia*, the increasing commodity prices as a result of the war in the Ukraine with Russia and the inflationary pressures arising in various countries. This has led to a number of countries increasing interest rates which may have a negative impact on the access to credit for a number of third parties as well as the consumer spending activities. This could consequently have an indirect impact on the Group as a result of its customers undergoing financial challenges as the cost of their industry increase and profitability is reduced as a result of an inability to pass on such increased costs to their ultimate consumers. As a result, should a number of the customers of the Group report financial challenges and request variations to their charges or payment terms, this would have a material impact on the revenues and profitability of the Group.

In addition the Group employs a contractor in Ukraine and several contractors in countries sharing a border with Ukraine. Some or all of these individual's services may need to be replaced should the war in Ukraine escalate further.



### ***Changes in laws, regulations and guidelines***

The Group's business is subject to the laws, regulations and guidelines of a number of different jurisdictions and such laws and regulations are subject to changes that are outside the Group's control. It is not always possible to predict future changes to laws, regulations and guidelines as they may relate to the services that the Group offers and any changes could have a material adverse effect on the Group's business operation and financial condition. Any changes to the prominent areas of the Group's business resulting from changes in laws, regulations or guidelines may cause the Group to incur significant costs in implementing necessary changes required and may severely restrict aspects of the Group's business, leading to an impact on revenue and its financial condition.

### ***Data protection breaches***

The Group must ensure ongoing compliance with various data protection laws, including the EU's General Data Protection Regulation (Regulation (EU) 2016/679) ("**GDPR**") and the UK's Data Protection Act 2018. The Group is under an obligation to protect the private and personal data that it holds, including that of its employees.

Any personal information that the Group holds in respect of its employees would be subject to the GDPR and other relevant laws.

Although the Board considers the Group's policies and procedures currently in place to be adequate to ensure compliance with the GDPR, this does not preclude the possibility of litigation or damage of goodwill as a result of a perceived breach, or an actual breach, of the GDPR.

### ***Litigation and other adversarial actions in the ordinary course of business could materially adversely affect the Group***

Although the Group is not currently party to (either as a claimant or as a defendant) any material litigation, it may be subject to such litigation in the future. In addition, the Group may be subject to other disputes, claims and complaints by customers, employees, suppliers, insurers and others in the ordinary course of business. Significant claims or a substantial number of small claims may be expensive to defend, may divert the time and focus of management away from the Group's operations and may result in the Group having to pay monetary damages, any of which could have a material adverse effect on the Group's financial condition, business, prospectus and results of operations. In addition, adverse publicity or substantial litigation against the Group could negatively impact its reputation, even if the Group is not found liable, which could have a material adverse effect on the Group's business and financial condition.

### ***The United Kingdom's withdrawal from the European Union may have a negative effect on the Group's business, operating results and financial condition as it seeks to expand into the United Kingdom***

The Group is a multinational company headquartered in Cork, Ireland with international operations, including significant business operations in the United Kingdom (including Northern Ireland) as well as Europe. Following a national referendum and enactment of legislation by the government of the United Kingdom, the United Kingdom formally withdrew from the European Union and ratified a trade and cooperation agreement governing its future relationship with the European Union. The agreement, which has been ratified by the European Parliament and the Council of the European Union, addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. The effects of the United Kingdom's withdrawal from the European Union may present future challenges for the Group's operations within the United Kingdom, and in particular, Northern Ireland.

## **RISKS RELATING TO THE ORDINARY SHARES**

### ***Suitability of an investment in Ordinary Shares***

An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors

should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved.

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

#### ***Investment in AIM-traded securities***

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may, therefore, realise less than, or lose all of, their investment.

#### ***The Ordinary Shares may be subject to market price volatility and the market price of the Ordinary Shares may decline in response to developments that are unrelated to operating performance.***

The Placing Price may not be indicative of the market price for the Ordinary Shares following Admission. The Ordinary Shares may be subject to market price volatility and the market price of the Ordinary Shares may decline in response to developments that are unrelated to the Group's operating performance as well as period-to-period variations in operating results or changes in revenue or profit estimates by industry participants or financial analysts. The market price of the Ordinary Shares could also be affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or the investment community, strategic actions by competitors, including acquisitions and/or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not the Company derives significant revenue therefrom. Investors may not be able to sell their Ordinary Shares at or above the Placing Price.

The listed equity security markets on a global scale are undergoing significant fluctuations due to macro matters including, *inter alia*, the commodity prices as a result of the war in the Ukraine with Russia and the inflationary pressures arising in various countries. As a result, this may have a material impact on any secondary market with respect to the Ordinary Shares and may have an impact on the market price.

#### ***The issuance of further Ordinary Shares in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute non-participating Shareholders.***

The effect of the Placing will be a reduction to the current Shareholders' proportionate ownership and voting interest in the Company.

Following Admission, the Company may seek to raise financing to fund corporate or asset acquisitions and other growth opportunities, invest in its business, or for general purposes. These financing rounds are likely to result in the issue of additional equity or convertible equity securities. As a result, existing Shareholders may suffer dilution in their percentage ownership and/or the price of the Ordinary Shares may be adversely affected.

#### ***Shareholders may earn a negative or no return on their investment in the Company.***

The Company's results of operations and financial condition are dependent on its performance and of the performance of the members of the Group. The Company's ability to pay dividends will depend, among other things, on its financial performance, the availability of distributable profits and reserves and cash available for this purpose. The Company's ability to pay dividends in the future is affected by a number of factors, principally the Company's ability to receive sufficient dividends from its subsidiaries. The payment of dividends by the Company's subsidiaries is, in turn, subject to

restrictions, including the existence of sufficient distributable reserves and cash in its subsidiaries. These restrictions could limit or prohibit the payment of dividends to the Company by its subsidiaries, which could restrict the Company's ability to pay dividends to Shareholders.

***The Concert Party will hold over 50 per cent. of the Ordinary Shares following Admission***

Following Admission, the Concert Party will hold 69.77 per cent. of the Share Capital. Notwithstanding the terms of the Relationship Agreement, the Company's articles of association and applicable laws and regulations, the Concert Party will be able to exercise significant influence over the Company and the Group's operations, business strategy and those corporate actions which require the approval of Shareholders. Further details regarding the Concert Party and Relationship Agreement are set out at paragraphs 19 of Part I and 14(v) of Part VII (*Additional Information*) of this Admission Document respectively.

***Continued trading on AIM***

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

***Taxation***

The attention of potential investors is drawn to Part VI (Taxation) of this Admission Document. This Admission 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 the Group's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Group, its ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this Admission Document concerning taxation of the Group and its investors are based on current tax law and practice, which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of the relevant investor.

**The specific and general risk factors detailed above do not include those risks associated with the Group which are unknown to the Directors. Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined, their personal circumstances and the financial resources available to them.**

## PART III

### SECTION A: ACCOUNTANT'S REPORT ON THE HISTORIC FINANCIAL INFORMATION OF ZEFONE

The Directors  
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The Directors  
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5 St John's Lane,  
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Shard Capital Partners LLP  
Suite 303, Floor 3  
70 St Mary Axe  
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30 November 2022

Dear Directors

#### **Accountants report on the Historic Financial Information of Zefone Limited and its subsidiary ("Zefone" or the "Group")**

##### **Introduction**

We report on the historic financial information set out in Section B of Part III (the "Historic Financial Information") relating to Zefone Limited and its subsidiary ("Zefone" or "the Group") for the period from 1 August 2018 to 31 July 2021, which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. This Historic Financial Information has been prepared for inclusion in the AIM Admission Document of Smarttech247 Group plc ("the Company") dated 30 November 2022 in connection with the Placing, and on the basis of the accounting policies set out in note 2 to the Historic Financial Information. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

##### **Responsibility**

The Directors of the Company are responsible for preparing the Historic Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IAS").

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

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not 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 Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

##### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company and

Zefone in accordance with the relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historic Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Historic Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

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

### **Conclusions relating to going concern**

We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the Historic Financial Information about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Historic Financial Information and the Directors' identification of any material uncertainties to Zefone's ability to continue as a going concern over a period of at least twelve months from the date of this Admission Document.

We have nothing material to add or to draw attention to.

### **Opinion**

In our opinion, the Historic Financial Information in Part B gives, for the purpose of the Admission Document dated 30 November 2022, a true and fair view of the state of affairs of Zefone as at 31 July 2021, 31 July 2020 and 31 July 2019 and of its results, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2.

### **Declaration**

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

Yours faithfully

**PKF Littlejohn LLP**  
Reporting Accountant

## SECTION B: HISTORIC FINANCIAL INFORMATION ON ZEFONE

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 July

	Note	2021 €	2020 €	2019 €
<b>Continuing operations</b>				
Revenue	4	7,225,479	4,823,941	3,658,731
Cost of sales	5	(3,159,429)	(1,531,877)	(1,219,348)
<b>Gross profit</b>		4,066,050	3,292,064	2,439,383
Administrative expenses	6	(2,973,253)	(2,522,355)	(2,210,950)
Other operating income	7	235,577	83,901	25,000
<b>Operating profit</b>		1,328,374	853,610	253,433
Investment income	10	1,512	1,443	892
Other gains and losses	11	25,244	(2,941)	(6,792)
Finance costs	12	(57,675)	(15,058)	(46,009)
<b>Profit before taxation</b>		1,297,455	837,054	201,524
Income tax	13	(155,262)	(117,036)	(29,594)
<b>Profit for the year from continuing operations</b>		1,142,193	720,018	171,930
<b>Total profit for the year attributable to equity holders of the parent</b>				
<b>Other comprehensive income</b>				
Currency translation differences		4,377	(1,162)	31,602
<b>Total comprehensive profit for the year attributable to equity holders of the parent</b>		1,146,570	718,856	203,532
Basic and dilutive earnings per share	14	571,097	360,009	85,965

The accompanying notes form part of the Historic Financial Information.

All of the Group's activities were derived from continuing operations during the above financial periods.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 July**

<b>GROUP</b>	<b>Note</b>	<b>2021</b> <b>€</b>	<b>2020</b> <b>€</b>	<b>2019</b> <b>€</b>
<b>Non-current assets</b>				
Intangible assets	15	416,336	156,084	385,220
Property, plant and equipment	16	94,506	106,499	105,397
Right-of-use asset	20	43,157	92,833	150,520
Financial assets	17	1,169,010	105,093	108,034
<b>Total non-current assets</b>		<b>1,723,009</b>	<b>460,509</b>	<b>749,171</b>
<b>Current assets</b>				
Trade and other receivables	18	4,533,672	2,491,373	1,554,399
Cash and cash equivalents	19	3,214,851	950,568	552,952
<b>Total current assets</b>		<b>7,748,523</b>	<b>3,441,941</b>	<b>2,107,351</b>
<b>TOTAL ASSETS</b>		<b>9,471,532</b>	<b>3,902,450</b>	<b>2,856,522</b>
<b>Equity attributable to owners of the parent</b>				
Called up share capital	21	2	2	2
Foreign exchange reserve	22	34,817	30,440	31,602
Retained earnings		3,097,551	1,955,358	1,235,340
<b>Total equity</b>		<b>3,132,370</b>	<b>1,985,800</b>	<b>1,266,944</b>
<b>Non-current liabilities</b>				
Borrowings	23	2,262,786	259,479	313,382
Lease liability	20	56	50,846	101,721
<b>Total non-current liabilities</b>		<b>2,262,842</b>	<b>310,325</b>	<b>415,103</b>
<b>Current liabilities</b>				
Borrowings	23	—	91,387	91,387
Trade and other payables	24	4,018,449	1,455,282	1,014,905
Lease liability	20	57,871	59,656	68,183
<b>Total current liabilities</b>		<b>4,076,320</b>	<b>1,606,325</b>	<b>1,174,475</b>
<b>Total liabilities</b>		<b>6,339,162</b>	<b>1,916,650</b>	<b>1,589,578</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,471,532</b>	<b>3,902,450</b>	<b>2,856,522</b>

The accompanying notes form part of the Historic Financial Information.

**CONSOLIDATED STATEMENT OF CASHFLOW**  
**As at 31 July**

<b>GROUP</b>	<b>Notes</b>	<b>2021</b> €	<b>2020</b> €	<b>2019</b> €
<b>Cash flow from operating activities</b>				
Profit for the financial year		1,142,193	720,018	171,930
<i>Adjustments for:</i>				
Interest payable		49,194	1,229	27,667
Lease liability finance charge		8,481	13,829	18,342
Impact of foreign exchange		6,249	(3,982)	1,852
Depreciation		372,502	329,081	327,335
(Gain) / loss on investment in shares	17	(25,244)	2,941	6,792
<i>Changes in working capital:</i>				
Increase in trade and other receivables		(2,042,299)	(936,974)	(27,740)
Increase / (Decrease) in trade and other payables		2,563,167	440,377	(183,268)
Net cash outflow from operating activities		<u>2,074,243</u>	<u>566,519</u>	<u>342,910</u>
<b>Cash flow from investing activities</b>				
Purchase of intangible fixed assets		(550,797)	(19,714)	(385,326)
Purchase of tangible fixed assets		(21,780)	(23,646)	(25,935)
Purchase of financial assets	17	(1,038,673)	—	(11,057)
Net cash outflow from investing activities		<u>(1,611,250)</u>	<u>(43,360)</u>	<u>(422,318)</u>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	27	1,954,112	—	—
Repayment of borrowings	27	(91,387)	(55,132)	(15,231)
Repayment of lease liabilities	20	(61,056)	(73,231)	(58,461)
Net cash inflow / (outflow) from financing activities		<u>1,801,669</u>	<u>(128,363)</u>	<u>(73,692)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>				
		2,264,662	394,796	(153,100)
Cash and cash equivalents at beginning of period		950,568	552,952	714,285
Foreign exchange impact on cash		(379)	2,820	(8,233)
<b>Cash and cash equivalents at the end of the period</b>	19	<u>3,214,851</u>	<u>950,568</u>	<u>552,952</u>

The accompanying notes form part of the Historic Financial Information.



**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY**  
**As at 31 July**

<b>GROUP</b>	<b>Share Capital €</b>	<b>Foreign Exchange Reserve €</b>	<b>Retained Earnings €</b>	<b>Total Equity €</b>
<b>At 1 August 2018</b>	2	—	1,063,410	1,063,412
Profit for the year	—	—	171,930	171,930
Other comprehensive income	—	31,602	—	31,602
<b>Total comprehensive income for the year</b>	—	31,602	171,930	203,532
Total transaction with owners	—	—	—	—
<b>Balance at 31 July 2019</b>	2	31,602	1,235,340	1,266,944
<b>At 1 August 2019</b>	2	31,602	1,235,340	1,266,944
Profit for the year	—	—	720,018	720,018
Other comprehensive income	—	(1,162)	—	(1,162)
<b>Total comprehensive income for the year</b>	—	(1,162)	720,018	718,856
Total transaction with owners	—	—	—	—
<b>Balance at 31 July 2020</b>	2	30,440	1,955,358	1,985,800
<b>At 1 August 2020</b>	2	30,440	1,955,358	1,985,800
Profit for the year	—	—	1,142,193	1,142,193
Other comprehensive income	—	4,377	—	4,377
<b>Total comprehensive income for the year</b>	—	4,377	1,142,193	1,146,570
Total transaction with owners	—	—	—	—
<b>Balance at 31 July 2021</b>	2	34,817	3,097,551	3,132,370

The accompanying notes form part of the Historic Financial Information.

## **NOTES TO THE FINANCIAL INFORMATION**

**For the year ended 31 July**

### **1 GENERAL INFORMATION**

Zefone is a limited company incorporated and registered in Ireland with its registered office at Unit 17a, Cork Airport Business Park, Cork, Ireland. Zefone's registered number is 372093. Zefone has a 100% owned subsidiary, Smarttech247 Cyber Security Sarl incorporated and registered in Romania, (together "the Group").

The Group's principal activities consist of providing MDR capabilities to global organisations, and associated services including penetration testing, governance risk and compliance and cyber consultancy.

The consolidated Historic Financial Information was approved for issue by the Board of Directors on 30 November 2022.

### **2 ACCOUNTING POLICIES**

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

#### **2.1 Basis of preparation**

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

The Historic Financial Information has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the AIM rules for companies and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ('UK- adopted IAS'). The Historic Financial Information has been prepared using the measurement bases specified by UK-adopted IAS for each type of asset, liability, income and expense.

The Historic Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 or statutory financial statements within the meaning of section 274(1) of the Irish Companies Act 2014.

The Historic Financial Information is presented in € unless otherwise stated, which is Zefone's presentational currency.

#### **2.2 New standards, amendments and interpretations**

The Group has adopted IFRS for the first time for the Historic Financial Information. See note 34 for details of this transition. The principles and requirements for the first-time adoption of IFRS are set out in IFRS 1.

No statement of financial position has been presented for the transition (1 August 2018) date as the transition adjustments prior to this date were considered immaterial or were made direct to retained earnings as permitted and presented in Note 34. IFRS 1 allows certain exemptions in the application of particular standards to prior periods in order to assist companies with the transition process. No transitional exemptions are applicable to Zefone and therefore none have been taken.

#### **2.3 New standards and interpretations not yet adopted**

Standards and amendments to standards that have been issued that are applicable for the Group but are not effective for 2021 and have not been early adopted are:

- IFRS 17 Insurance Contracts, including Amendments to IFRS 17(i) – effective date 1 January 2023
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent (i) – effective date 1 January 2023

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions,
- Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020(i) – effective date 1 January 2022
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 – effective date 1 January 2021
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies(i) – effective date 1 January 2023
- Amendments to IAS 8 Accounting policies, Changes in Accounting

The effect of these new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

## 2.4 Going concern

Management prepared the Historic Financial Information on a going concern basis. The directors are satisfied that adequate resources are available to the Group and they have no reason to believe that any material uncertainty exists that would cast a doubt about the ability of the Group to continue as a going concern.

In making this judgement management considered the Group's budgets and cash flow forecasts for a period of at least twelve months from the date of approval of the Historic Financial Information which demonstrates that the Group will be in a position to meet its liabilities as they fall due.

On the basis of trading activities for 2021 and 2022, and the Group's forecast, the directors consider that COVID-19 will not have a material adverse impact on the Group's ability to continue as a going concern.

The Group has therefore adopted the going concern basis in preparing the Historic Financial Information.

## 2.5 Basis of consolidation

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

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

## 2.6 Foreign currency translation

### (i) Functional and presentation currency

Items included in the Historic Financial Information for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Historic Financial Information is presented in € Euro, which is Zefone's presentation and functional currency. The individual financial statements of each of Zefone's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation is recognised in other comprehensive income.

### (ii) Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at statement of financial position date. Gains or losses arising from settlement of transactions and from translation at period-end

exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income for the period.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- income and expenses for each statement of comprehensive income are translated at the average exchange rate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

## **2.7 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

## **2.8 Impairment of non-financial assets**

Non-financial assets and intangible assets not subject to amortisation are tested annually for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment review is based on discounted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal is less than the carrying amount of the assets, an impairment loss is recognised in profit or loss and not subsequently reversed.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units or 'CGUs').

## **2.9 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions and bank overdrafts.

## **2.10 Fair value measurement**

Fair value measurement IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed.

IFRS 13 mainly impacts the disclosures of Zefone. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

## **2.11 Financial instruments**

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost;
- At fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

Financial investments

Listed investments are valued at closing bid price on 31 July of each year. Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at fair value through profit and loss, less impairment. For details of the key assumptions used and the impact of changes to these assumptions, see note 17.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, Zefone has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

#### d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In response to increased risk of credit losses due to Covid, the Group has included the following procedures:

- Performing credit checks on existing, new or prospective customers
- Maintaining regular dialogue with senior staff of existing customers to discuss payments of invoices

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group's most significant clients are public or regulated industry entities which generally have high credit ratings or are of a high credit quality due to the nature of the client. These customers are not considered to have been significantly impacted by Covid.

Expected credit losses are assessed on an individual customer basis, based on the Historic payment profiles of the customers, the current and historic relationship with the customer, and the industry in which the customer operates. There have been no impairments of trade receivables in the periods.

## 2.12 Leases

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;

- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If Zefone is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

**2.13** Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than (€5,000) are recognised on a straight-line basis as an expense in profit or loss.

## **2.14 Equity**

Share capital is determined using the nominal value of shares that have been issued.

Retained losses includes all current and prior period results as disclosed in the statement of comprehensive income.

The foreign exchange reserve includes amounts recognised in other comprehensive income on translating into the reporting currency.

## **2.15 Revenue**

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) a Group entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group, and specific criteria have been met for each of the Group's activities, as described below.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

The Group bases its estimates on all available information including Historic results and experience taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the Group makes sales relating to a future financial period, these are deferred and recognised under 'accrued expenses and deferred income' in the Statement of Financial Position.

The Group derives revenue from the rendering of services, whereby revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

In arrangements where fees are invoiced ahead of revenue being recognised, deferred income is recorded.

## **2.16 Government grants**

Capital grants received and receivable are treated as deferred income and amortised to the Income Statement annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Income Statement when received.

Certain government grants recognised by the Group relate to Temporary Wage Subsidy Scheme ("TWSS") in the Republic of Ireland and are recognised as other income in the period in which the payroll cost was incurred.

## **2.17 Taxation**

The taxation expense for the year comprises current and deferred tax and is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date.

Deferred tax arises from timing differences that are differences between the taxable profits and total comprehensive income as stated in the financial statements. The timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probably that future taxable profits will be available against which temporary differences can be utilised. Current or deferred taxation assets and liabilities are not discounted.

## **2.18 Property, plant and equipment**

Property, plant and equipment are recorded at Historic cost or deemed cost, less accumulated depreciation and impairment losses. Costs includes prime cost, overheads and interest incurred in financing the construction of property, plant and equipment. Capitalisation of interest ceases when the asset is brought into use.

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



Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Fixtures and fittings	–	12.5% straight line
Motor vehicles	–	20.0% straight line

The Group's policy is to review the remaining useful economic lives and residual values of property, plant and equipment on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful economic useful life and residual value.

Fully depreciated property, plant and equipment are retained in the cost of property, plant & equipment and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amounts, less proceeds from disposal, is charges or credited to the income statement.

## **2.19 Intangible assets**

Intangible assets acquired as part of a business combination or asset acquisition, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. The gains and losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Intangible asset impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### *Research and development expenditure*

Development expenditure is written off in the same period unless the director is satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised and amortised over the period from which the Group is expected to benefit. See further detail in note 2.21.

Amortisation is provided on all intangible assets so as to write off the cost of an asset over its estimated useful life as follows:

Development costs	–	20-33.3% straight line
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### *Software license*

Software licenses are valued at costs less accumulated amortisation

Website and software licenses	–	33.3% straight line
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## **2.20 Convertible loan notes, borrowings and borrowing costs**

Convertible loan notes classified as financial liabilities and borrowings are recognised initially at fair value, net of transaction costs. After initial recognition, loans are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the loan to which it relates.

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

## **2.21 Employee benefits**

### *Short-term benefits*

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

### *Defined contribution pension plan*

Zefone operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, Zefone has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods.

For defined contribution plans, Zefone pays contributions to privately administered pension plans on a contractual or voluntary basis. Zefone has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

## **2.22 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on Historic experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### *Establishing useful economic lives for depreciation purposes of property, plant and equipment (note 16)*

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

### *Providing for doubtful debts (note 18)*

The Group makes an estimate of the recoverable value of trade and other receivables. The Group uses estimates based on historic experience in determining the level of debts, which the Group believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of receivables and historic experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an ongoing basis.

### *Amortisation of Intangible Assets (note 15)*

The annual amortisation of intangible assets depends primarily on the estimated useful lives of assets and estimates of residual value. The directors regular review these assets useful lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation. Changes in asset useful lives can have a significant impact on amortisation charges for the period. Detail of the useful life is included in the accounting policy.

### *Capitalisation and Carrying Value of Intangible Assets (note 15)*

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised of development costs, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. Website and software licences are capitalised at cost. Determining whether there are indicators of impairment of the Group's intangible assets. Factors taken into consideration in reaching such a decision include the economic viability

and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The directors are satisfied that the carrying value of the Group's intangible assets are at least equal to their recoverable amounts.

*Valuation of unlisted investments (note 17)*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Zefone uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see note 17.

### 3. SEGMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the executive Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the years ended 31 July 2019, 31 July 2020 and 31 July 2021 the Group operated in the single business segment of MDR capabilities to global organisations.

### 4. REVENUE

	2021 €	2020 €	2019 €
Revenue	7,225,479	4,823,941	3,658,731

The whole of the Group's revenue is recognised in the Republic of Ireland and is derived from the principal activity of providing MDR capabilities to global organisations, and associated services including penetration testing, governance risk and compliance and cyber consultancy.

Within the sales revenue, there was 1 customer that accounted for greater than 10% of total revenue of the Group contributing €1,874,639 (2020: Nil / 2019: Nil).

### 5. COST OF SALES

	2021 €	2020 €	2019 €
Cost sales – purchases	3,118,129	1,499,177	1,057,849
Cost sales – direct costs	41,300	32,700	161,499
	3,159,429	1,531,877	1,219,348

## 6. ADMINISTRATIVE EXPENSES

	2021 €	2020 €	2019 €
Directors remuneration	(132,000)	(132,000)	(125,000)
Wages and salaries	(1,988,068)	(1,548,524)	(1,176,178)
Consultancy and professional fees	(160,740)	(180,732)	(208,493)
Administrative expenses	(240,979)	(286,232)	(369,527)
Amortisation of intangible fixed assets	(290,696)	(248,965)	(251,516)
Depreciation of right-of-use assets	(49,676)	(57,687)	(56,503)
Depreciation of tangible fixed assets	(32,130)	(22,429)	(19,316)
Loss on disposal of property, plant and equipment	(1,643)	—	(174)
(Profit) / loss on foreign currencies	(15,583)	(1,797)	1,666
Other expenses	(61,738)	(43,989)	(5,909)
	<u>(2,973,253)</u>	<u>(2,522,355)</u>	<u>(2,210,950)</u>

## 7. OTHER OPERATING INCOME

	2021 €	2020 €	2019 €
Government grant income	235,577	83,901	25,000
	<u>235,577</u>	<u>83,901</u>	<u>25,000</u>

As a result of the impact of the Covid-19 pandemic, the Group availed of the Temporary Wage Subsidy Scheme (TWSS) for August 2020. The TWSS was available to employers who incurred a minimum of 25% reduction in turnover for the period to April to June 2020 comparing to the same period in 2019 as a result of the Covid-19 pandemic and who kept employees on their payroll during this time. During the year the Group received €7,480 under TWSS grants (2020: €43,901 / 2019: €nil).

Alongside the TWSS grants referred above, the Group also received €179,639 in research and development grants from Enterprise Ireland (2020: €40,000 / 2019: 25,000) as well as a research and development tax rebate of €48,458 (2020: €nil / 2019: €nil).

## 8. EMPLOYEES

Staff costs, (inclusive of director's salaries) comprise:

	2021 €	2020 €	2019 €
Wages and salaries	1,974,633	1,569,604	1,194,391
Pension costs	144,288	110,920	106,787
	<u>2,118,921</u>	<u>1,680,524</u>	<u>1,301,178</u>

The average monthly number of employees, including the Directors, during the year was 67 (2020: 55 2019: 32)

## 9. DIRECTORS' AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2021 €	2020 €	2019 €
Directors' remuneration	132,000	132,000	125,000
Pension contributions	9,680	1,600	—
	<u>141,680</u>	<u>133,600</u>	<u>125,000</u>

During the year retirement benefits were accruing to nil Directors (2020: nil / 2019: nil) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of €132,000 (2020: €132,000 / 2019: €125,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to €9,680 (2020: €1,600 / 2019: €nil).

There is considered to be one key management personnel, in addition to the sole Director, who received remuneration of €73,333 (2020: €62,917 / 2019: €51,333).

## 10. INCOME FROM INVESTMENTS

	2021 €	2020 €	2019 €
Investment income – dividends received	1,512	1,443	892
	<u>1,512</u>	<u>1,443</u>	<u>892</u>

## 11. OTHER GAINS AND LOSSES

	2021 €	2020 €	2019 €
Unrealised gain / (loss) on investments in shares	25,244	(2,941)	(6,792)
	<u>25,244</u>	<u>(2,941)</u>	<u>(6,792)</u>

## 12. FINANCE COSTS

	2021 €	2020 €	2019 €
Interest	49,194	1,229	27,667
Lease liability finance charges (Note 20)	8,481	13,829	18,342
	<u>57,675</u>	<u>15,058</u>	<u>46,009</u>

### 13. TAXATION

	2021 €	2020 €	2019 €
The charge for year is made up as follows:			
<b>Corporation tax</b>			
Corporation taxation on the results for the year	155,262	117,036	31,118
Adjustments in respect of previous periods	—	—	(1,524)
	<u>155,262</u>	<u>117,036</u>	<u>29,594</u>
<b>Deferred tax</b>			
Origination and reversal of temporary differences	—	—	—
Changes to tax rates	—	—	—
Adjustments in respect of previous periods	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
<b>Taxation charge on profits on ordinary activities on profits on ordinary activities</b>	<u>155,262</u>	<u>117,036</u>	<u>29,594</u>

#### Factors affecting tax change for the year

The tax assessed for the year is lower than (2020: higher than / 2019: higher than) the standard rate of corporation tax in the Republic of Ireland of 12.5% (2020: 12.5% / 2019: 12.5%). The differences are explained below:

	2021 €	2020 €	2019 €
Profit on ordinary activities before tax	1,297,455	837,054	201,524
Tax on ordinary activities at the applicable rate of 12.1% (2020: 8.1% / 2019: 30.2%).	156,992	67,801	60,860
<i>Effects of:</i>			
Excess depreciation over capital allowances	65	1,125	2,096
Expenses not deductible for tax purposes	(3,012)	(880)	(250)
Under / (over) provision in respect of prior year	—	—	(1,524)
Income tax on directors loan	(692)	11,229	—
Consolidation adjustments	2,187	42,152	(23,166)
Income tax on medical insurances	2,600	1,922	400
Tax losses utilised during the year	(2,878)	(6,313)	(8,822)
<b>Taxation charge on profits on ordinary activities</b>	<u>155,262</u>	<u>117,036</u>	<u>29,594</u>

The weighted average applicable rate of 12.1% (2020: 8.1% / 2019: 30.2%) used is a combination of the 12.5% rate of corporation tax in the Republic of Ireland and 16% Romanian corporation tax.

#### 14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the period.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Profit for the year from continuing operations – €	1,142,193	720,018	174,930
Weighted number of ordinary shares in issue	<u>2</u>	<u>2</u>	<u>2</u>
<b>Basic and dilutive earnings per share from continuing operations – EUR</b>	<u>571,097</u>	<u>360,009</u>	<u>87,465</u>

There is no difference between the diluted loss per share and the basic loss per share as there were no securities on issue at 31 July 2021 that would have a dilutive effect on earnings per share, other than the Convertible Loan Notes, however given the uncertainty of the amount of shares due to be issued upon conversion, these have not been taken into account in determining a dilutive effect on earnings per share.

#### 15. INTANGIBLE ASSETS

	<b>Website &amp; software licenses €</b>	<b>Development costs €</b>	<b>Total €</b>
<b>Cost</b>			
At 1 August 2018	490,311	5,298	495,609
Additions	381,878	3,448	385,326
Disposals	(100,168)	—	(100,168)
At 31 July 2019	<u>772,021</u>	<u>8,746</u>	<u>780,767</u>
Additions	19,040	789	19,829
At 31 August 2020	791,061	9,535	800,596
Additions	183,126	367,671	550,797
Disposals	(26,861)	—	(26,861)
At 31 July 2021	<u>947,326</u>	<u>377,206</u>	<u>1,324,532</u>
<b>Amortisation</b>			
At 1 August 2018	242,433	1,766	244,199
Charge for the year	248,600	2,916	251,516
Disposals	(100,168)	—	(100,168)
At 31 July 2019	<u>390,865</u>	<u>4,682</u>	<u>395,547</u>
Charge for the year	245,802	3,163	248,965
At 31 January 2020	636,667	7,845	644,512
Charge for the year	106,487	184,209	290,696
Disposals	(27,012)	—	(27,012)
At 31 July 2021	<u>716,142</u>	<u>192,054</u>	<u>908,196</u>
<b>Net book value</b>			
31 July 2019	<u>381,156</u>	<u>4,064</u>	<u>385,220</u>
31 July 2020	<u>154,394</u>	<u>1,690</u>	<u>156,084</u>
<b>31 July 2021</b>	<u><u>231,184</u></u>	<u><u>185,152</u></u>	<u><u>416,336</u></u>

For more detail of the judgement on the capitalisation and carrying value of intangible assets, see note 2.21.

## 16. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery €	Fixtures & fittings €	Motor vehicles €	Total €
<b>Cost</b>				
At 1 August 2018	2,444	198,659	12,762	213,865
Additions	—	25,935	—	25,935
Disposals	—	(80,876)	(6,962)	(87,838)
At 31 July 2019	2,444	143,718	5,800	151,962
Additions	10,259	13,272	—	23,531
Disposals	—	—	—	—
At 31 July 2020	12,703	156,990	5,800	175,493
Additions	14,042	7,738	—	21,780
Disposals	—	—	(5,800)	(5,800)
At 31 July 2021	26,745	164,728	—	191,473
<b>Depreciation</b>				
At 1 August 2018	—	107,080	7,948	115,028
Charge for the year	205	17,951	1,160	19,316
Disposal	—	(80,991)	(6,788)	(87,779)
At 31 July 2019	205	44,040	2,320	46,565
Charge for the year	1,650	19,619	1,160	22,429
At 31 August 2020	1,855	63,659	3,480	68,994
Charge for the year	10,863	20,590	677	32,130
Disposals	—	—	(4,157)	(4,157)
At 31 July 2021	12,718	84,249	—	96,967
<b>Net book value</b>				
At 31 July 2019	2,239	99,678	3,480	105,397
At 31 July 2020	10,848	93,331	2,320	106,499
<b>At 31 July 2021</b>	<b>14,027</b>	<b>80,479</b>	<b>—</b>	<b>94,506</b>



## 17. FINANCIAL FIXED ASSETS

	Level 3 – Unlisted investments €	Level 1 – Listed investments €	Total €
<b>Investment</b>			
<b>Cost of valuation</b>			
At 1 August 2018	—	103,769	103,769
Additions	—	11,057	11,057
Revaluations	—	(6,792)	(6,792)
At 31 July 2019	—	108,034	108,034
Additions	—	—	—
Revaluations	—	(2,941)	(2,941)
At 31 July 2020	—	105,093	105,093
Additions	1,038,673	—	1,038,673
Revaluations	—	25,244	25,244
At 31 July 2021	1,038,673	130,337	1,169,010
<b>Carrying amount</b>			
At 31 July 2019	—	108,034	108,034
At 31 July 2020	—	105,093	105,093
<b>At 31 July 2021</b>	<b>1,038,673</b>	<b>130,337</b>	<b>1,169,010</b>

### IFRS 13 valuation hierarchy:

- Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.
- Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
- Level 3 applies inputs, which are not based on observable market data.

Unlisted investments relates to the investment in Visibility Blockchain Limited of 35,940 B Preference Shares as at 31 July 2021. In March 2022, 27,116 B Preference Shares were surrendered for no consideration and the remaining 8,824 B Preference Shares were converted and re-designated as 8,824 series A Preference Shares as disclosed in Note 32. These shares do not give rights to receive notice of any general meeting of Visibility Blockchain Limited, or to attend thereat or vote on any resolution at a general meeting. Unlisted investments are valued using level 3 inputs under the IFRS 13 Fair Value Hierarchy, primarily the future cashflows of the investment. The future cashflows have been considered by management during the year and has resulted in a revaluation during the year of €nil (2020: €nil / 2019: €nil). This includes consideration of successful fund raising, net asset position as at the year end date, future cash flows from current customer base for the next three years and current monthly cash burn. The value of this investment is €1,038,673, which the Board considers to equate to the fair value of the investment at the year-end given the percentage investment in Visibility Blockchain Limited and its current market value and future cash flows.

Listed investments relate to a portfolio investment comprising of various equities, bonds and alternative financial instruments. These are valued using the share price at each reporting date, which is a level 1 input under the IFRS 13 Fair Value Hierarchy.

## 18. TRADE AND OTHER RECEIVABLES

	2021 €	2020 €	2019 €
Trade receivables	3,911,859	1,206,697	720,765
Other receivables	253,412	1,021,574	772,944
Director's current account	42,148	44,914	—
Prepayments	326,253	218,188	60,690
	<u>4,533,672</u>	<u>2,491,373</u>	<u>1,554,399</u>

Amounts owed from related parties and by a director are unsecured, interest free and repayable on demand.

## 19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and short term deposits held with banks with a A-1+ rating. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts.

Group	2021 €	2020 €	2019 €
Cash and cash equivalents	3,214,851	950,568	552,952
	<u>3,214,851</u>	<u>950,568</u>	<u>552,952</u>

## 20. LEASES

The Group had the following lease assets and liabilities:

	2021 €	2020 €	2019 €
<i>Right-of-use assets</i>			
Properties	43,157	92,833	150,520
	<u>43,157</u>	<u>92,833</u>	<u>150,520</u>
<i>Lease liabilities</i>			
Current	57,871	59,656	68,183
Non-current	56	50,846	101,721
	<u>57,927</u>	<u>110,502</u>	<u>169,904</u>

	2021 €	2020 €	2019 €
Maturity on the lease liabilities are as follows:			
Current	57,871	59,656	68,183
Due between 1-2 years	56	50,790	50,875
Due between 2-5 years	—	56	50,846
Due beyond 5 years	—	—	—
	<u>57,927</u>	<u>110,502</u>	<u>169,904</u>

## Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

	2021 €	2020 €	2019 €
<i>Properties</i>			
Opening balance	92,833	150,520	—
Opening balance on adoption of IFRS 16	—	—	198,884
Addition in the year	—	—	8,139
Depreciation	(49,676)	(57,687)	(56,503)
	<u>43,157</u>	<u>92,833</u>	<u>150,520</u>

## Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	2021 €	2020 €	2019 €
Opening balance	110,502	169,904	
Opening balance on adoption of IFRS 16	—	—	198,884
Addition in the year	—	—	8,139
Payment made	(61,056)	(73,231)	(55,461)
Finance charge (Note 12)	8,481	13,829	18,342
	<u>57,927</u>	<u>110,502</u>	<u>169,904</u>

The Group also incurred the following expenses during the year of €nil (2020: €nil / 2019: €nil) which related to leases that were either short term in nature (12 months or less) or of low value in nature, thus being excluded from treatment under IFRS 16: Leases.

The Group has used a discount rate of 10% as an estimate for the incremental borrowing rate applied.

## 21. SHARE CAPITAL

	2021	2020	2019
Authorised ordinary shares with a nominal value of €1.00 (2020: €1.00 / 2019: €1.00)			
Number of shares	10,000,000	10,000,000	10,000,000
Nominal value (€)	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid ordinary shares with a nominal value of €1.00 (2020: €1.00 / 2019: €1.00)			
Number of shares	2	2	2
Nominal value (€)	<u>2</u>	<u>2</u>	<u>2</u>

## 22. RESERVES

### Share capital

Share capital is determined using the nominal value of shares that have been issued.

### Foreign exchange reserve

Foreign exchange differences arising on translating into the reporting currency.

## Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

## 23. BORROWINGS

	2021 €	2020 €	2019 €
<b>Current</b>			
Bank loans	—	91,387	91,387
	—	91,387	91,387
<b>Non-current</b>			
Bank loans	—	259,479	313,382
Convertible secured loan notes	2,262,786	—	—
	2,262,786	259,479	313,382

Refer to note 27 for movements in borrowings.

Analysis of maturity of loans is given below:

	2021 €	2020 €	2019 €
Amounts falling due within one year			
Other loans	—	91,387	91,387
Amounts falling due 1-2 years			
Other loans	—	91,387	91,387
Amounts falling due 2-5 years			
Other loans	2,262,786	168,092	221,995
	2,262,786	350,866	404,769

### *Convertible Secured Loan Notes*

Convertible secured loan notes carry mandatory interest rate at 5% per annum. The Group shall redeem the outstanding loan notes on 7<sup>th</sup> May 2024 unless converted or repaid prior to that date.

Holders of the convertible secured loan notes have the right to convert the loan notes into ordinary shares in the event of a sale or listing. The holder may also elect to convert the loan notes into ordinary shares prior to any such event based on a conversion rate.

The convertible secured loan notes are secured by a debenture incorporating fixed and floating charges over the Group's assets both present and future.

### *Bank Loan*

In the prior years, the Group had a bank loan that secured by a floating charge over all of the Group's interest, undertaking property and assets whatsoever and wheresoever both present and future.

The bank loan attracted interest of 4% and had a term of 4 years and was repaid in full in the current year.

## 24. TRADE AND OTHER PAYABLES

	2021	2020	2019
	€	€	€
Trade creditors	2,078,622	232,424	344,357
Corporation tax	136,852	147,754	(9,260)
Other taxation and social security	466,413	75,159	88,674
Accruals	189,833	47,621	35,668
Deferred income	1,095,726	925,178	516,569
Other payables	51,003	27,146	38,897
	<u>4,018,449</u>	<u>1,455,282</u>	<u>1,014,905</u>

## 25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, and liquidity risks. The management of these risks is vested to the Board of Directors.

### Credit Risk

Credit risk arises on financial instruments such as trade receivables, short-term bank deposits.

Policies and procedures exist to ensure that customers have an appropriate credit history. The Group's most significant clients are public or regulated industry entities which generally have high credit ratings or are of a high credit quality due to the nature of the client.

Counterparty exposure positions are monitored regularly so that credit exposures to any one counterparty are within acceptable limits.

At the balance sheet date there were no significant concentrations of credit risk.

Trade and other receivables and contract assets included in the balance sheet are stated net of expected credit loss (ECL) provisions which have been estimated on a customer-by-customer basis, based on the relationship with the customer and its Historic payment profile. There are no provisions held against trade receivables at the balance sheet date.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	<b>2021 Carrying Value €</b>	<b>2021 Maximum Exposure €</b>	<b>2020 Carrying Value €</b>	<b>2020 Maximum Exposure €</b>
Cash and cash equivalents	3,214,851	3,214,851	950,568	950,568
Trade receivables	3,911,859	3,911,859	1,206,697	1,206,697
	<u>7,126,710</u>	<u>7,126,710</u>	<u>2,157,265</u>	<u>2,157,265</u>

	<b>2019 Carrying Value €</b>	<b>2019 Maximum Exposure €</b>
Cash and cash equivalents	552,952	552,952
Trade receivables	720,765	720,765
	<u>1,273,717</u>	<u>1,273,717</u>

### Currency Risk

The Group operates in a global market with income and costs possibly arising in a number of currencies and is exposed to foreign currency risk primarily in respect of entities within the Group entering into commercial transactions arising from sales or purchases in currencies other than the Companies' functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in Euro and Romanian Leu. Accordingly, movements in the Euro exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition. Such changes are not considered likely to have a material effect on the Group's financial position at 31 July 2021.

Currency risk is managed by maintaining some cash deposits in currencies other than Sterling. The table below shows the currency profiles of cash and cash equivalents:

	<b>2021 €</b>	<b>2020 €</b>	<b>2019 €</b>
<b><i>Cash and cash equivalents</i></b>			
Euro	3,205,164	947,498	520,140
Romanian Leu	9,687	3,070	32,812
	<u>3,214,851</u>	<u>950,568</u>	<u>552,952</u>

### Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at year end as below:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Cash and cash equivalents	3,214,851	950,568	552,952
	<u>3,214,851</u>	<u>950,568</u>	<u>552,952</u>

The table below sets out the maturity profile of the financial liabilities at 31 July:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Due in less than one month	(2,818,414)	(573,217)	(598,971)
Due between one and three months	(288,794)	(272,204)	(157,910)
Due between three months and one year	(683,566)	(640,999)	(338,063)
Due between one and two years	(59,450)	(161,339)	(197,737)
Due between two and five years	(2,297,102)	(221,270)	(262,228)
	<u>(6,147,326)</u>	<u>(1,869,029)</u>	<u>(1,554,909)</u>

### Interest Rate Risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Bank balances	3,214,851	950,568	552,952
	<u>3,214,851</u>	<u>950,568</u>	<u>552,952</u>

Given the extremely low interest rate environment on bank balances, any probable movement in interest rates would have an immaterial effect.

## 26. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

<b>2021</b>	<b>Financial</b>	<b>Financial</b>	<b>Financial</b>	<b>Total</b>
<b>Financial assets / liabilities</b>	<b>assets at</b>	<b>liabilities at</b>	<b>assets at</b>	<b></b>
	<b>amortised</b>	<b>amortised</b>	<b>FVTPL</b>	<b>€</b>
	<b>cost</b>	<b>cost</b>	<b>€</b>	<b>€</b>
	<b>€</b>	<b>€</b>		
Financial assets	—	—	1,038,673	1,038,673
Trade and other receivables	4,533,672	—	—	4,533,672
Cash and cash equivalents	3,214,851	—	—	3,214,851
Trade and other payables	—	(4,018,449)	—	(4,018,449)
Lease liabilities (current and non-current)	—	(55,927)	—	(55,927)
Borrowings	—	(2,262,786)	—	(2,262,786)
	<u>7,748,523</u>	<u>(6,337,162)</u>	<u>1,038,673</u>	<u>2,450,034</u>

<b>2020</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
<b>Financial assets / liabilities</b>	<b>€</b>	<b>€</b>	<b>€</b>
Trade and other receivables	2,491,373	—	2,491,373
Cash and cash equivalents	950,568	—	950,568
Trade and other payables	—	(1,455,282)	(1,455,282)
Lease liabilities (current and non-current)	—	(110,502)	(110,502)
Borrowings	—	(350,866)	(350,866)
	<u>3,441,941</u>	<u>(1,916,550)</u>	<u>1,525,291</u>

<b>2019</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
<b>Financial assets / liabilities</b>	<b>€</b>	<b>€</b>	<b>€</b>
Trade and other receivables	1,554,399	—	1,554,399
Cash and cash equivalents	552,952	—	552,952
Trade and other payables	—	(1,014,905)	(1,014,905)
Lease liabilities (current and non-current)	—	(169,904)	(169,904)
Borrowings	—	(404,769)	(404,769)
	<u>2,107,351</u>	<u>(1,589,578)</u>	<u>517,773</u>

## 27. RECONCILIATION OF MOVEMENT IN NET DEBT

<b>2021</b>	<b>At 1 August 2020</b>	<b>Non-cash changes*</b>	<b>Cashflow</b>	<b>At 31 July 2021</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank	950,568	(378)	2,264,661	3,214,851
Borrowings – current	(91,387)	—	91,387	—
Borrowings – non-current	(259,479)	(49,195)	(1,954,112)	(2,262,786)
Lease liabilities – current & non-current	(110,502)	(8,481)	61,056	(57,927)
Net Debt	<u>489,200</u>	<u>(58,054)</u>	<u>462,992</u>	<u>894,138</u>

<b>2020</b>	<b>At 1 August 2019</b>	<b>Non-cash changes</b>	<b>Cashflow</b>	<b>At 31 July 2020</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank	552,952	2,820	394,796	950,568
Borrowings – current	(91,387)	—	—	(91,387)
Borrowings – non-current	(313,382)	(1,229)	55,132	(259,479)
Lease liabilities – current & non-current	(169,904)	(13,829)	73,231	(110,502)
Net Debt	<u>(21,721)</u>	<u>(12,238)</u>	<u>523,159</u>	<u>489,200</u>



<b>2019</b>	<b>At 1 August 2018 €</b>	<b>Non-cash changes €</b>	<b>Cashflow €</b>	<b>At 31 July 2019 €</b>
Cash at bank	714,285	(8,233)	(153,100)	552,952
Borrowings – current	(35,000)	(71,618)	15,231	(91,387)
Borrowings – non-current	(385,000)	71,618	—	(313,382)
Lease liabilities – current & non-current	—	(225,365)	55,461	(169,904)
<b>Net Debt</b>	<b>294,285</b>	<b>(233,598)</b>	<b>(82,408)</b>	<b>(21,721)</b>

\*Non-cash movements in cash related to the foreign exchange impact on non € denominated cash balances, whilst on the lease liabilities relates to the finance charges incurred on the lease liabilities during the year.

The non-cash movements on borrowings relate to interest accrued and reclassifications between current and non-current portions of the borrowings.

## 28. RELATED PARTY TRANSACTIONS

Ronan Murphy owns a 100% shareholding in Amplified Technologies Limited, which in turn owns 100% of the shareholding in Zefone Limited and 36.1% in Visibility Blockchain Limited, which trades as GetVisibility.

Zefone Limited and Visibility Blockchain Limited are related parties due to a common director (Ronan Murphy) in both companies.

Zefone Limited and Smart Systems Security Limited, a company registered in the United Kingdom, are related parties as Ronan Murphy directly owns a 100% shareholding in both companies.

Zefone Limited owns 99% of Smarttech247 Cyber Security SRL, a company registered in Romania.

The following amounts are receivable at the financial year end:

	<b>2021 €</b>	<b>2020 €</b>	<b>2019 €</b>
Smart Systems Security Limited	3,185	—	—
Visibility Blockchain Limited	20,258	1,038,647	675,607
Smarttech247 SP. Z O.O.	2,315	—	—
	<b>25,758</b>	<b>1,038,647</b>	<b>675,607</b>

The following amounts are due to related parties:

	<b>2021 €</b>	<b>2020 €</b>	<b>2019 €</b>
Visibility Blockchain Limited	(192,602)	(33,948)	(64,452)
	<b>(192,602)</b>	<b>(33,948)</b>	<b>(64,452)</b>

Net balance with related parties:

	2021 €	2020 €	2019 €
Smart Systems Security Limited	3,185	—	—
Visibility Blockchain Limited	(172,344)	1,004,699	611,155
Smarttech 247 SP. Z O.O.	2,315	—	—
	<u>(166,844)</u>	<u>1,004,699</u>	<u>611,155</u>

#### *Smart Systems Security Limited*

Smart Systems Security Limited recharges certain wages and salaries cost to Zefone Limited. During the year the total value of staff costs recharged by Smart Systems Security Limited to Zefone Limited amounted to €20,986 (2020: €nil / 2019: €nil).

#### *Smarttech 247 SP. Z O.O.*

Smarttech 247 SP. Z O.O. recharges certain salaries and expenses to Zefone Limited. During the year the total value of staff costs recharged by Smarttech247 Sp. z.o.o. to Zefone Limited amounted to €2,315 (2020: €nil / 2019: €nil).

#### *Visibility Blockchain Limited*

- (i) Certain revenue is recognised between Zefone Limited and Visibility Blockchain Limited 20%/80% under a reseller agreement. During the year the total amount of services charged under a reseller agreement by Visibility Blockchain Limited to Zefone Limited amounted to €182,747 (2020: €82,610 / 2019: €52,400).
- (ii) Certain operating expenses are allocated 30%/70% based on an intercompany overhead agreement. During the year the total amount of expenses allocated to Visibility Blockchain Limited by Zefone Limited amounted to €65,315 (2020: €60,853 / 2019: €108,731).

In the opinion of the director these amounts arise in the ordinary course of business and the terms of the amounts due are in accordance with the terms ordinarily offered by the Group.

## **29. PENSION COMMITMENTS**

The Group operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to €10,890 (2020: €2,000 / 2019: €2,500). €nil (2020: € nil / 2019: €nil) was payable to the fund at the statement of financial position date and is included within payables.

## **30. CAPITAL COMMITMENTS**

There were no capital commitments at 31 July 2021, 31 July 2020 or 31 July 2019.

## **31. CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2021, 31 July 2020 or 31 July 2019.

### 32. EVENTS SUBSEQUENT TO PERIOD END

On 29 July 2022, Zefone acquired Smarttech247 SP. Z O.O. for €2,113 (10,000 Polish Zloty).

The initial estimate of the fair value of the assets acquired and liabilities assumed of Smarttech247 SP. Z O.O at the date of acquisition based upon the balance sheet at 31 December 2021 are as follows:

	€
	<hr/>
Cash	2,113
<b>Total consideration</b>	<b>2,113</b>
	<hr/> <hr/>

Recognised amounts of assets and liabilities acquired:

	€
	<hr/>
Financial assets	15,460
Trade and other receivables	3,069
<b>Total identifiable net assts</b>	<b>18,528</b>
	<hr/> <hr/>

On 18 November 2022, Zefone acquired Smarttech Systems Security Limited for €1,190 (£1,000).

The initial estimate of the fair value of the assets acquired and liabilities assumed of Smarttech Systems Security Limited at the date of acquisition based upon the balance sheet at 31 July 2021 are as follows:

	€
	<hr/>
Cash	1,190
<b>Total consideration</b>	<b>1,190</b>
	<hr/> <hr/>

Recognised amounts of assets and liabilities acquired:

	€
	<hr/>
Trade and other receivables	2,105
Trade and other payables	(4,818)
<b>Total identifiable net assts</b>	<b>(2,713)</b>
	<hr/> <hr/>

On 10 March, 8,824 B preference shares of €0.001 each in the capital of Visibility Blockchain Limited were converted and re-designated as 8,824 series A preference shares of €0.001 each. The remaining 27,116 B preference shares of €0.001 each were surrendered for nil consideration.

On 18 November 2022, through the Share Exchange Agreement, Smarttech247 Group plc acquired 100% of the shares of Zefone Limited.

On 18 November 2022, the convertible loan notes described in Note 23 were novated up to Smarttech247 Group plc under the Deed of Novation, conditional on the share for share exchange noted above and admission to the AIM market.

Other than above, there have been no further events subsequent to period end.

### 33. CONTROL

In the opinion of the Directors as at the year end and the date of the financial information, Ronan Murphy is considered to be the ultimate controlling party, owning 100% Amplified Technologies Limited. Amplified Technologies Limited is the immediate parent of Zefone Limited.

### 34. EXPLANATION OF TRANSITION TO IFRS

As stated in Note 2.1, the Historic Financial Information has been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 (“IFRS”). The date of transition to IFRS was 1 August 2018, (the “Transition Date”).

The accounting policies described in Note 2 were applied when preparing the Historic Financial Information for the years ended 31 July 2019, 31 July 2020 and 31 July 2021 and the Statement of Financial Position as at the Transition Date.

In preparing its opening IFRS Statement of Financial Position and adjusting amounts reported previously in the financial statements prepared in accordance with Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the Ireland (previous GAAP), the Zefone Group has applied IFRS 1 First-Time Adoption of International Financial Reporting Standards, which contains a number of voluntary exemptions and mandatory exceptions from the requirement to apply IFRS retrospectively.

#### Exceptions and Exemptions used during transition to IFRS

The Zefone Group has applied the following exceptions as set out in IFRS 1 in the conversion from Irish GAAP to IFRS:

##### *Estimates*

Hindsight is not used to create or revise estimates. The estimates previously made by the Zefone Group under Ireland GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies

#### Adjustments made in connection with transition to IFRS

##### 1. IFRS 16 – Leases

The Group reviewed all its leasing arrangements and identified a number of contracts as operating leases which have been recognised as lease liabilities in the 31 July 2019, 31 July 2020 and 31 July 2021 balance sheets. An associated right-of-use asset was recognised for each lease.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate of 10% across the Group which was determined with reference to a premium applied to the interest rate the Group incurs its borrowings of 5% per note 22.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by IFRS 1:

- Use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Lease with a low value of <€2,000 per annum; and
- The accounting for operating leases with a remaining term of less than 12 months as at 1 August 2018 as short term leases.

On 1 August 2018, the implementation of IFRS 16 had the following impact on the financial statements of the Group, with the reconciliation of operating lease commitments to lease liability as follows:

	€
Operating lease commitments at 31 July 2018	29,340
Impact of practical expedience taken	169,544
Lease liability as at 1 August 2018	<u>198,884</u>

Under IFRS 16 leases are capitalised as a right-of-use asset with a corresponding lease liability. See Note 19 for a breakdown of IFRS 16 right-of-use asset and lease liabilities recognised.

**IRISH GAAP to IFRS reconciliation of the Consolidated Statement of Financial Position as at 31 July 2019**

<b>CONSOLIDATED</b>	<b>IRISH GAAP €</b>	<b>IFRS Adj €</b>	<b>IFRS €</b>
<b>Non-current assets</b>			
Intangible assets	385,220	—	385,220
Property, plant and equipment	105,397	—	105,397
Right-of-use asset [1]	—	150,520	150,520
Financial assets	108,034	—	108,034
<b>Total non-current assets</b>	<b>598,651</b>	<b>150,520</b>	<b>749,171</b>
<b>Current assets</b>			
Trade and other receivables	1,554,399	—	1,554,399
Cash and cash equivalents	552,952	—	552,952
<b>Total current assets</b>	<b>2,107,351</b>	<b>—</b>	<b>2,107,351</b>
<b>TOTAL ASSETS</b>	<b>2,706,002</b>	<b>150,520</b>	<b>2,856,522</b>
<b>Equity attributable to owners of the parent</b>			
Called up share capital	2	—	2
Foreign exchange reserve	31,602	—	31,602
Retained earnings	1,248,780	(13,440)	1,235,340
<b>Total equity</b>	<b>1,280,384</b>	<b>(13,440)</b>	<b>1,266,944</b>
<b>Non-current liabilities</b>			
Borrowings	313,382	—	313,382
Provisions	—	—	—
Lease liability [1]	—	101,721	101,721
<b>Total non-current liabilities</b>	<b>313,382</b>	<b>101,721</b>	<b>415,103</b>
<b>Current liabilities</b>			
Borrowings	91,387	—	91,387
Trade and other payables	1,020,849	(5,944)	1,014,905
Lease liability [1]	—	68,183	68,183
<b>Total current liabilities</b>	<b>1,112,236</b>	<b>62,239</b>	<b>1,174,475</b>
<b>Total liabilities</b>	<b>1,425,618</b>	<b>163,960</b>	<b>1,589,578</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,706,002</b>	<b>150,520</b>	<b>2,856,522</b>

**IRISH GAAP to IFRS reconciliation of the Consolidated Statement of Financial Position as at 31 July 2020**

<b>CONSOLIDATED</b>	<b>IRISH GAAP €</b>	<b>IFRS Adj €</b>	<b>IFRS €</b>
<b>Non-current assets</b>			
Intangible assets	156,084	—	156,084
Property, plant and equipment	106,499	—	106,499
Right-of-use asset [1]	—	92,833	92,833
Financial assets	105,093	—	105,093
<b>Total non-current assets</b>	<b>367,676</b>	<b>92,833</b>	<b>460,509</b>
<b>Current assets</b>			
Trade and other receivables	2,491,373	—	2,491,373
Cash and cash equivalents	950,568	—	950,568
<b>Total current assets</b>	<b>3,441,941</b>	<b>—</b>	<b>3,441,941</b>
<b>TOTAL ASSETS</b>	<b>3,809,617</b>	<b>92,833</b>	<b>3,902,450</b>
<b>Equity attributable to owners of the parent</b>			
Called up share capital	2	—	2
Foreign exchange reserve	30,440	—	30,440
Retained earnings	1,967,084	(11,726)	1,955,358
<b>Total equity</b>	<b>1,997,526</b>	<b>(11,726)</b>	<b>1,985,800</b>
<b>Non-current liabilities</b>			
Borrowings	259,479	—	259,479
Provisions	—	—	—
Lease liability [1]	—	50,846	50,846
<b>Total non-current liabilities</b>	<b>259,479</b>	<b>50,846</b>	<b>310,325</b>
<b>Current liabilities</b>			
Borrowings	91,387	—	91,387
Trade and other payables	1,461,225	(5,943)	1,455,282
Lease liability [1]	—	59,656	59,656
<b>Total current liabilities</b>	<b>1,552,612</b>	<b>53,713</b>	<b>1,606,325</b>
<b>Total liabilities</b>	<b>1,812,091</b>	<b>104,559</b>	<b>1,916,650</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,809,617</b>	<b>92,833</b>	<b>3,902,450</b>

**IRISH GAAP to IFRS reconciliation of the Consolidated Statement of Financial Position as at 31 July 2021**

<b>CONSOLIDATED</b>	<b>IRISH GAAP €</b>	<b>IFRS Adj €</b>	<b>IFRS €</b>
<b>Non-current assets</b>			
Intangible assets	416,336	—	416,336
Property, plant and equipment	94,506	—	94,506
Right-of-use asset [1]	—	43,157	43,157
Financial assets	1,169,010	—	1,169,010
<b>Total non-current assets</b>	<b>1,679,852</b>	<b>43,157</b>	<b>1,723,009</b>
<b>Current assets</b>			
Trade and other receivables	4,533,672	—	4,533,672
Cash and cash equivalents	3,214,851	—	3,214,851
<b>Total current assets</b>	<b>7,748,523</b>	<b>—</b>	<b>7,748,523</b>
<b>TOTAL ASSETS</b>	<b>9,428,375</b>	<b>43,157</b>	<b>9,471,532</b>
<b>Equity attributable to owners of the parent</b>			
Called up share capital	2	—	2
Foreign exchange reserve	34,817	—	34,817
Retained earnings	3,106,371	(8,820)	3,097,551
<b>Total equity</b>	<b>3,141,190</b>	<b>(8,820)</b>	<b>3,132,370</b>
<b>Non-current liabilities</b>			
Borrowings	2,262,786	—	2,262,786
Provisions	—	—	—
Lease liability [1]	—	56	56
<b>Total non-current liabilities</b>	<b>2,262,786</b>	<b>56</b>	<b>2,262,842</b>
<b>Current liabilities</b>			
Borrowings	—	—	—
Trade and other payables	4,024,399	(5,950)	4,018,449
Lease liability [1]	—	57,871	57,871
<b>Total current liabilities</b>	<b>4,024,399</b>	<b>51,921</b>	<b>4,076,320</b>
<b>Total liabilities</b>	<b>6,287,185</b>	<b>51,977</b>	<b>6,339,162</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,428,375</b>	<b>43,157</b>	<b>9,471,532</b>

**IRISH GAAP to IFRS reconciliation of the Consolidated Statement of Comprehensive Income for the year ended 31 July 2019**

	<b>IRISH GAAP</b>	<b>IFRS Adj</b>	<b>IFRS</b>
	€	€	€
<b>Continuing operations</b>			
Revenue	3,658,731	—	3,658,731
Cost of sales	(1,219,348)	—	(1,219,348)
<b>Gross profit</b>	<b>2,439,383</b>		<b>2,439,383</b>
Administrative expenses [1]	(2,215,852)	4,902	(2,210,950)
Other operating income	25,000	—	25,000
<b>Operating profit</b>	<b>248,531</b>	<b>4,902</b>	<b>253,433</b>
Investment income	892	—	892
Other gains and losses	(6,792)	—	(6,792)
Finance costs [1]	(27,667)	(18,342)	(46,009)
<b>Profit before taxation</b>	<b>214,964</b>	<b>(13,440)</b>	<b>201,524</b>
Income tax	(29,594)	—	(29,594)
<b>Profit for the year from continuing operations</b>	<b>185,370</b>	<b>(13,440)</b>	<b>171,930</b>

**IRISH GAAP to IFRS reconciliation of the Consolidated Statement of Comprehensive Income for the year ended 31 July 2020**

	<b>IRISH GAAP</b>	<b>IFRS Adj</b>	<b>IFRS</b>
	€	€	€
<b>Continuing operations</b>			
Revenue	4,823,941	—	4,823,941
Cost of sales	(1,531,877)	—	(1,531,877)
<b>Gross profit</b>	<b>3,292,064</b>		<b>3,292,064</b>
Administrative expenses [1]	(2,486,875)	(35,480)	(2,522,355)
Other operating income	83,901	—	83,901
<b>Operating profit</b>	<b>889,090</b>	<b>(35,480)</b>	<b>853,610</b>
Investment income	1,443	—	1,443
Other gains and losses	(2,941)	—	(2,941)
Finance costs [1]	(1,229)	(13,829)	(15,058)
<b>Profit before taxation</b>	<b>886,363</b>	<b>(49,309)</b>	<b>837,054</b>
Income tax	(117,036)	—	(117,036)
<b>Profit for the year from continuing operations</b>	<b>769,327</b>	<b>(49,309)</b>	<b>720,018</b>



**IRISH GAAP to IFRS reconciliation of the Consolidated Statement of Comprehensive Income for the year ended 31 July 2021**

	<b>IRISH GAAP</b>	<b>IFRS Adj</b>	<b>IFRS</b>
	<b>€</b>	<b>€</b>	<b>€</b>
	<hr/>	<hr/>	<hr/>
<b>Continuing operations</b>			
Revenue	7,225,479	—	7,225,479
Cost of sales	(3,159,429)	—	(3,159,429)
	<hr/>	<hr/>	<hr/>
<b>Gross profit</b>	4,066,050	—	4,066,050
Administrative expenses [1]	(2,895,327)	(77,926)	(2,973,253)
Other operating income	235,577	—	235,577
	<hr/>	<hr/>	<hr/>
<b>Operating profit</b>	1,406,300	(77,926)	1,328,374
Investment income	1,512	—	1,512
Other gains and losses	25,244	—	25,244
Finance costs [1]	(49,194)	(8,481)	(57,675)
	<hr/>	<hr/>	<hr/>
<b>Profit before taxation</b>	1,383,862	(86,407)	1,297,455
Income tax	(155,262)	—	(155,262)
	<hr/>	<hr/>	<hr/>
<b>Profit for the year from continuing operations</b>	<u>1,228,600</u>	<u>(86,407)</u>	<u>1,142,193</u>

## SECTION C: UNAUDITED INTERIM FINANCIAL INFORMATION ON ZEFONE

### Interim Financial Information

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2022

	Note	Unaudited Six months to 31 Jan 2022 €	Unaudited Six months to 21 Jan 2021 €
<b>Continuing operations</b>			
Revenue	4	3,873,725	2,343,003
Cost of sales		(1,489,771)	(616,630)
<b>Gross profit</b>		2,383,954	1,726,373
Administrative expenses	5	(1,843,222)	(1,460,193)
Other operating income		—	7,971
<b>Operating profit</b>		540,732	274,151
Investment income		871	1,430
Other (losses) /gains		(1,934)	14,402
Finance costs	6	(105,135)	(11,999)
<b>Profit before taxation</b>		434,534	277,984
Income tax		(65,943)	(29,265)
<b>Profit for the year from continuing operations</b>		368,591	248,719
<b>Total profit for the year attributable to equity holders of the parent</b>			
Other comprehensive income		1,988	(7,643)
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>		370,579	241,076
Basic and diluted earnings per share – euro	7	184,296	124,360

**Interim Financial Information**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 January 2022**

	Note	Unaudited 31 Jan 2022 €	Audited 31 July 2021 €
<b>Non-current assets</b>			
Intangible assets	8	669,063	416,336
Property, plant and equipment	9	94,881	94,506
Right-of-use asset		18,895	43,157
Financial assets	10	1,167,076	1,169,010
<b>Total non-current assets</b>		<u>1,949,915</u>	<u>1,723,009</u>
<b>Current assets</b>			
Trade and other receivables	11	1,836,496	4,533,672
Cash and cash equivalents	12	3,973,205	3,214,851
<b>Total current assets</b>		<u>5,809,701</u>	<u>7,748,523</u>
<b>TOTAL ASSETS</b>		<u><b>7,759,616</b></u>	<u><b>9,471,532</b></u>
<b>Equity attributable to owners of the parent</b>			
Called up share capital	15	2	2
Foreign exchange reserve		36,805	34,817
Retained earnings		3,466,142	3,097,551
<b>Total equity</b>		<u>3,502,949</u>	<u>3,132,370</u>
<b>Non-current liabilities</b>			
Borrowings	13	2,302,621	2,262,786
Lease liability		—	56
<b>Total non-current liabilities</b>		<u>2,302,621</u>	<u>2,262,842</u>
<b>Current liabilities</b>			
Borrowings	13	—	—
Trade and other payables	14	1,921,570	4,018,449
Lease liability		32,476	57,871
<b>Total current liabilities</b>		<u>1,954,046</u>	<u>4,076,320</u>
<b>Total liabilities</b>		<u>4,256,667</u>	<u>6,339,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>7,759,616</b></u>	<u><b>9,471,532</b></u>

**Interim Financial Information**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**For the six months ended 31 January 2022**

	<b>Unaudited Six months to 31 Jan 2022 €</b>	<b>Unaudited Six months to 31 Jan 2021 €</b>
<b>Cash flow from operating activities</b>		
Profit for the financial year	368,591	248,719
<i>Adjustments for:</i>		
Interest payable	102,849	7,119
Lease liability finance charge	2,286	4,880
Impact of foreign exchange	85	—
Depreciation	177,807	113,320
Loss / (gain) on revaluation of shares	1,934	(14,402)
<i>Changes in working capital:</i>		
Decrease in trade and other receivables	2,697,176	1,109,102
(Decrease) in trade and other payables	(2,096,879)	(173,133)
Net cash inflow from operating activities	<u>1,253,849</u>	<u>1,295,605</u>
<b>Cash flow from investing activities</b>		
Purchase of intangible fixed assets	(388,326)	(18,015)
Purchase of tangible fixed assets	(18,322)	(15,365)
Purchase of financial assets	—	(1,038,673)
Net cash outflow from investing activities	<u>(406,648)</u>	<u>(1,072,053)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	—	—
Repayment of borrowings	(63,014)	(48,689)
Repayment of lease liabilities	(27,731)	(27,731)
Net cash inflow/ (outflow) from financing activities	<u>(90,745)</u>	<u>(76,420)</u>
<b>Net increase in cash and cash equivalents</b>	756,456	147,132
Cash and cash equivalents at beginning of period	3,214,851	950,568
Foreign exchange impact on cash	1,898	(256)
<b>Cash and cash equivalents at the end of the period</b>	<u><b>3,973,205</b></u>	<u><b>1,097,444</b></u>

**Interim Financial Information**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2021**

	Share Capital €	Foreign Exchange Reserve €	Retained Earnings €	Total Equity €
<b>At 1 August 2020</b>	<b>2</b>	<b>30,440</b>	<b>1,955,358</b>	<b>1,985,800</b>
Profit for the period	—	—	248,719	248,719
Other comprehensive loss	—	(7,643)	—	(7,643)
Total comprehensive (loss) / income for the period	—	(7,643)	248,719	241,076
<b>Balance at 31 January 2021 – (unaudited)</b>	<b>2</b>	<b>22,797</b>	<b>2,204,077</b>	<b>2,226,876</b>
<b>At 1 August 2021</b>	<b>2</b>	<b>34,817</b>	<b>3,097,551</b>	<b>3,132,370</b>
Profit for the period	—	—	368,591	368,591
Other comprehensive income	—	1,988	—	1,988
Total comprehensive income for the period	—	1,988	368,591	370,579
<b>Balance at 31 January 2022 – (unaudited)</b>	<b>2</b>	<b>36,805</b>	<b>3,466,142</b>	<b>3,502,949</b>

**Interim Financial Information**  
**NOTES TO THE INTERIM FINANCIAL INFORMATION**  
**For the six months ended 31 January 2022**

**1. GENERAL INFORMATION**

Zefone Limited and its subsidiary (“Zefone” or “the Group”) is a limited company incorporated and registered in Ireland with its registered office at Unit 17a, Cork Airport Business Park, Cork, Ireland. Zefone’s registered number is 372093.

The Group’s principal activities consist of providing Managed Detection and Response capabilities to global organisations, and associated services including penetration testing, governance risk and compliance and cyber consultancy.

**2. BASIS OF PREPARATION**

The condensed Interim Financial Information has been prepared for the sole purpose of inclusion in the Admission Document and in accordance with International Financial Reporting Standards (“IFRS”). The Interim Financial Information does not include all disclosures that would otherwise be required in a complete set of financial information but have been prepared in accordance with the existing accounting policies and policies expected to be applied in the Financial Statements for the year ended 31 July 2022. The Interim Financial Information should be read in conjunction with the audited Historic Financial Information for the year ended 31 July 2021 as included in Part III.

The Interim Financial Information for the half years ended 31 January 2022 and 31 January 2021 is unaudited.

The Historic Financial Information of the Group, as included in Part III is prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006. The same accounting policies, presentation and methods of computation are followed in the Interim Financial Information as were applied in the audited Historic Financial Information.

No new policies were issued by IASB that are applicable to the period ended 31 January 2022.

The Interim Financial Information has been prepared on a going concern basis.

The Interim Financial Information has been prepared under the historic cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in the Historic Financial Information. The Historic Financial Information is prepared in Euros.

**2.1 GOING CONCERN**

The Interim Financial Information has been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

The Directors prepared budgets and cash flow forecasts covering the going concern period and taking in to account the expected proceeds of the IPO, the Directors believe the Group has sufficient resources to meet its obligations for a period of at least 12 months from the date of approval of this financial information.

Taking these matters into consideration, the Directors consider that the continued adoption of the going concern basis is appropriate having reviewed the forecasts for the coming 12 months and the Interim Financial Information does not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

**2.2 CRITICAL ACCOUNTING ESTIMATES**

The preparation of condensed Interim Financial Information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses, and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 2.22 of the Group’s Historic Financial Information as included in Section B of Part III. Actual amounts may differ from these estimates. The nature and amounts of such estimates have not changed significantly during the interim period.

### 3. SEGMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the six month period ended 31 January 2022 the Group operated in the single business segment of Managed Detection and Response capabilities to global organisations.

### 4. REVENUE

	<b>6 Mths to 31 Jan 2022</b>	<b>6 Mths to 31 Jan 2021</b>
	<b>€</b>	<b>€</b>
Sales revenue	<u>3,873,725</u>	<u>2,343,003</u>

The whole of the Group's revenue is attributable to its market in the Republic of Ireland and is derived from the principal activity of providing Managed Detection and Response capabilities to global organisation, and associated services including penetration testing, governance risk and compliance and cyber consultancy.

### 5. ADMINISTRATIVE EXPENSES

Operating loss from continued operations is stated after (charging) / crediting:

	<b>6 Mths to 31 Jan 2022</b>	<b>6 Mths to 31 Jan 2021</b>
	<b>€</b>	<b>€</b>
Directors' remuneration	(66,000)	(66,000)
Wages and salaries	(1,235,088)	(1,075,198)
Consultancy and professional fees	(119,553)	(27,115)
Administrative expenses	(174,086)	(139,947)
Amortisation of intangible fixed assets	(137,489)	(67,668)
Depreciation of right-of-use assets	(24,262)	(25,414)
Depreciation of tangible fixed assets	(16,056)	(20,238)
Profit/ (loss) on foreign currencies	17,062	(15,282)
Other expenses	(87,750)	(23,331)
	<u>(1,843,222)</u>	<u>(1,460,193)</u>

### 6. FINANCE COSTS

	<b>6 Mths to 31 Jan 2022</b>	<b>6 Mths to 31 Jan 2021</b>
	<b>€</b>	<b>€</b>
Interest on financial liabilities	102,849	—
Interest on bank loan	—	7,119
Finance charge on lease liabilities	2,286	4,880
	<u>105,135</u>	<u>11,999</u>

## 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

	<b>Six months to 31 Jan 2022 (unaudited)</b>	<b>Six months to 31 Jan 2021 (unaudited)</b>
Loss for the period from continuing operations – €	368,591	248,719
Weighted number of ordinary shares in issue	2	2
<b>Basic and diluted earnings per share from continuing operations – euro</b>	<b>184,296</b>	<b>124,360</b>

There is no difference between the diluted loss per share and the basic loss per share as there were no securities on issue at 31 January 2022 that would have a dilutive effect on earnings per share, other than the convertible loan notes, however given the uncertainty of the amount of shares due to be issued upon conversion, these have not been taken into account in determining a dilutive effect on earnings per share.

## 8. INTANGIBLE ASSETS

	<b>Software licenses €</b>	<b>Development costs €</b>	<b>Total €</b>
<b>Cost</b>			
At 31 August 2020 (audited)	791,061	9,535	800,596
Additions	183,126	367,671	550,797
Disposals	(26,861)	—	(26,861)
At 31 July 2021 (audited)	947,326	377,206	1,324,532
Additions	127,289	262,927	390,216
At 31 January 2022 (unaudited)	1,074,615	640,133	1,714,748
<b>Amortisation</b>			
At 31 July 2020 (audited)	636,667	7,845	644,512
Charge for the year	106,487	184,209	290,696
Disposals	(27,012)	—	(27,012)
At 31 July 2021 (audited)	716,142	192,054	908,196
Charge for the year	57,015	80,474	137,489
At 31 January 2022 (unaudited)	773,157	272,528	1,045,685
<b>Net book value</b>			
31 July 2021 (audited)	231,184	185,152	416,336
<b>31 January 2022 (unaudited)</b>	<b>301,458</b>	<b>367,605</b>	<b>669,063</b>



## 9. PROPERTY PLANT AND EQUIPMENT

	Plant & machinery €	Fixtures & fittings €	Motor vehicles €	Total €
<b>Cost</b>				
At 31 July 2020 (audited)	12,703	156,990	5,800	175,493
Additions	14,042	7,738	—	21,780
Disposals	—	—	(5,800)	(5,800)
At 31 July 2021 (audited)	26,745	164,728	—	191,473
Additions	3,637	12,794	—	16,431
At 31 January 2022 (unaudited)	30,382	177,522	—	207,904
<b>Depreciation</b>				
At 31 July 2020 (audited)	1,855	63,659	3,480	68,994
Charge for the year	10,863	20,590	677	32,130
Disposals	—	—	(4,157)	(4,157)
At 31 July 2021 (audited)	12,718	84,249	—	96,967
Charge for the year	5,208	10,848	—	16,056
At 31 January 2022 (unaudited)	17,926	95,097	—	113,023
<b>Net book value</b>				
At 31 July 2021 (audited)	14,027	80,479	—	94,506
<b>At 31 January 2022 (unaudited)</b>	<b>12,456</b>	<b>82,425</b>	<b>—</b>	<b>94,881</b>

## 10. FINANCIAL FIXED ASSETS

	Level 3- Unlisted investments €	Level 1- Listed investments €	Total €
<b>Investment</b>			
<b>Cost of valuation</b>			
At 31 July 2020	—	105,093	105,093
Additions	1,038,673	—	1,038,673
Revaluations	—	25,244	25,244
At 31 July 2021	1,038,673	130,337	1,169,010
Additions	—	—	—
Revaluations	—	(1,934)	(1,934)
At 31 January 2022	1,038,673	128,403	1,167,076
<b>Carrying amount</b>			
At 31 July 2021	1,038,673	130,337	1,169,010
<b>At 31 January 2022</b>	<b>1,038,673</b>	<b>128,403</b>	<b>1,167,076</b>

**IFRS 13 valuation hierarchy:**

- Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.
- Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
- Level 3 applies inputs, which are not based on observable market data.

Unlisted investments relates to the investment in Visibility Blockchain Limited of 35,940 B Preference Shares as at 31 January 2021. In March 2022, 27,116 B Preference Shares were surrendered for no consideration and the remaining 8,824 B Preference Shares were converted and re-designated as 8,824 series A Preference Shares as disclosed in Note 17. These shares do not give rights to receive notice of any general meeting of Visibility Blockchain Limited, or to attend thereat or vote on any resolution at a general meeting. Unlisted investments are valued using level 3 inputs under the IFRS 13 Fair Value Hierarchy.

Listed investments relate to a portfolio investment comprising of various equities, bonds and alternative financial instruments. These are valued using the share price at each reporting date, which is a level 1 input under the IFRS 13 Fair Value Hierarchy.

**11. TRADE AND OTHER RECEIVABLES**

	<b>31 January 2022 (unaudited) €</b>	<b>31 July 2021 (audited) €</b>
Trade receivables	1,159,381	3,911,859
Other receivables	230,296	253,412
Director's current account	41,477	42,148
Prepayments	405,342	326,253
	<u>1,836,496</u>	<u>4,533,672</u>

**12. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand and short term deposits held with banks with a A-1+ rating. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts.

<b>Group</b>	<b>31 January 2022 (unaudited) €</b>	<b>31 July 2021 (audited) €</b>
Cash and cash equivalents	3,973,205	3,214,851
	<u>3,973,205</u>	<u>3,214,851</u>

**13. BORROWINGS**

	<b>31 January 2022 (unaudited) €</b>	<b>31 July 2021 (audited) €</b>
<b>Non-current</b>		
Convertible secured loan notes	2,302,621	2,262,786
	<u>2,302,621</u>	<u>2,262,786</u>

Movement in borrowings is as follows:

	<b>31 January 2022 (unaudited) €</b>	<b>31 July 2021 (audited) €</b>
Opening balance	2,262,786	350,866
Proceeds from borrowings	—	1,954,112
Repayment of borrowings	(63,014)	(91,387)
Interest accrued	102,849	49,195
	<u>2,302,621</u>	<u>2,262,786</u>

#### *Convertible Secured Loan Notes*

Convertible secured loan notes carry mandatory interest rate at 5% per annum. The Group shall redeem the outstanding loan notes on 7<sup>th</sup> May 2024 unless converted or repaid prior to that date.

Holders of the convertible secured loan notes have the right to convert the loan notes into ordinary shares in the event of a sale or listing. The holder may also elect to convert the loan notes into ordinary shares prior to any such event based on a conversion rate

The convertible secured loan notes are secured by a debenture incorporating fixed and floating charges over the Group's assets both present and future.

#### **14. TRADE AND OTHER PAYABLES**

	<b>31 January 2022 (unaudited) €</b>	<b>31 July 2021 (audited) €</b>
Trade creditors	539,478	2,078,622
Corporation tax	(37,047)	136,852
Other taxation and social security	274,210	466,413
Accruals	102,260	189,833
Deferred income	966,414	1,095,726
Other payables	76,255	51,003
	<u>1,921,570</u>	<u>4,018,449</u>

#### **15. SHARE CAPITAL**

	<b>31 January 2022 (unaudited)</b>	<b>31 July 2021 (audited)</b>
Authorised ordinary shares with a nominal value of €1.00 (31 July 2021: €1.00)		
Number of shares	10,000,000	10,000,000
Nominal value (€)	10,000,000	10,000,000
Issued and fully paid ordinary shares with a nominal value of €1.00 (31 July 2021: €1.00)		
Number of shares	2	2
Nominal value (€)	2	2

## 16. RELATED PARTY TRANSACTIONS

Ronan Murphy owns a 100% shareholding in Amplified Technologies Limited, which in turn owns 100% of the shareholding in Zefone Limited and 36.1% in Visibility Blockchain Limited.

Zefone Limited and Visibility Blockchain Limited are related parties due to a common director (Ronan Murphy) in both companies.

Zefone Limited and Smart Systems Security Limited, a company resident in the United Kingdom, are related parties as Ronan Murphy directly owns a 100% shareholding in both companies.

Zefone Limited owns 99% of Smarttech247 Cyber Security SRL, a company resident in Romania.

The following amounts are receivable at the financial period end:

	<b>31 Jan 2022</b>	<b>31 Jul 2021</b>
	<b>€</b>	<b>€</b>
Smart Systems Security Limited	155,447	3,185
Visibility Blockchain Limited	23,511	(172,344)
Smarttech 247 SP. Z O.O	—	—
	<u>178,958</u>	<u>(169,159)</u>

The following amounts are due to related parties:

	<b>31 Jan 2022</b>	<b>31 Jul 2021</b>
	<b>€</b>	<b>€</b>
Visibility Blockchain Limited	(62,115)	(192,602)
	<u>(62,115)</u>	<u>(192,602)</u>

Net balance with related parties:

	<b>31 Jan 2022</b>	<b>31 Jul 2021</b>
	<b>€</b>	<b>€</b>
Smart Systems Security Limited	155,447	3,185
Visibility Blockchain Limited	(38,604)	20,258
Smarttech 247 SP. Z O.O	—	20,258
	<u>116,843</u>	<u>23,443</u>

### *Smart Systems Security Limited*

Smart Systems Security Limited recharges certain wages and salaries cost to Zefone Limited. During the period the total value of staff costs recharged by Smart Systems Security Limited to Zefone Limited amounted to €60,220 (Six months to 31 Jan 2021: €nil).

### *Smarttech 247 SP. Z O.O.*

Smarttech 247 SP. Z O.O. recharges certain salaries and expenses to Zefone Limited. During the period the total value of staff costs recharged by Smarttech247 Sp. z.o.o. to Zefone Limited amounted to €53,200 (Six months to 31 Jan 2021: €nil).

### *Visibility Blockchain Limited*

- (i) Certain revenue is recognised between Zefone Limited and Visibility Blockchain Limited 20%/80% under a reseller agreement. During the period the total amount of services charged under a reseller agreement by Visibility Blockchain Limited to Zefone Limited amounted to €103,900 (Six months to 31 Jan 2021: €22,660).

- (ii) Certain operating expenses are allocated 30%/70% based on an intercompany overhead agreement. During the period the total amount of expenses allocated to Visibility Blockchain Limited by Zefone Limited amounted to €34,117 (Six months to 31 Jan 2021: €32,831).

In the opinion of the director these amounts arise in the ordinary course of business and the terms of the amounts due are in accordance with the terms ordinarily offered by the Group.

## 17. EVENTS SUBSEQUENT TO PERIOD END

On 29 July 2022, Zefone acquired Smarttech247 SP. Z O.O. for €2,113 (10,000 Polish Zloty at the time of acquisition).

The initial estimate of the fair value of the assets acquired and liabilities assumed of Smarttech247 SP. Z O.O at the date of acquisition based upon the balance sheet at 31 December 2021 are as follows:

	€
Cash	2,113
<b>Total consideration</b>	<b>2,113</b>

### Recognised amounts of assets and liabilities acquired:

	€
Financial assets	15,460
Trade and other receivables	3,069
<b>Total identifiable net assts</b>	<b>18,528</b>

On 18 November 2022, Zefone acquired Smarttech Systems Security Limited for €1,190 (£1,000).

The initial estimate of the fair value of the assets acquired and liabilities assumed of Smarttech Systems Security Limited at the date of acquisition based upon the balance sheet at 31 July 2021 are as follows:

	€
Cash	1,190
<b>Total consideration</b>	<b>1,190</b>

### Recognised amounts of assets and liabilities acquired:

	€
Trade and other receivables	2,105
Trade and other payables	(4,818)
<b>Total identifiable net assts</b>	<b>(2,713)</b>

On 10 March, 8,824 B preference shares of €0.001 each in the capital of Visibility Blockchain Limited were converted and re-designated as 8,824 series A preference shares of €0.001 each. The remaining 27,116 B preference shares of €0.001 each were surrendered for nil consideration.

On 18 November 2022, through the Share Exchange Agreement, Smarttech247 Group plc acquired 100% of the shares of Zefone Limited.

On 18 November 2022, the convertible loan notes described in Note 23 were novated up to Smarttech247 Group plc under the Deed of Novation, conditional on the share for share exchange noted above and admission to the AIM market

Other than above, there have been no further events subsequent to period end.

## PART IV

### SECTION A: ACCOUNTANT'S REPORT ON THE UNAUDITED *PRO FORMA* STATEMENT OF NET ASSETS OF THE GROUP

The Directors  
Smarttech247 Group plc  
165 Fleet Street,  
London, EC4A 2DY

SPARK Advisory Partners Limited  
5 St John's Lane,  
London, EC1M 4BH

Shard Capital Partners LLP  
Suite 303, Floor 3,  
70 St Mary Axe,  
London, EC3A 8BE

30 November 2022

Dear Directors

#### **Report on the unaudited *pro forma* statement of net assets**

We report on the unaudited *pro forma* statement net assets (the "Statement of *Pro forma* Net assets") set out in Section B of Part IV of the Admission Document dated 30 November 2022, which has been prepared on the basis described in notes 1 to 9, for illustrative purposes only, to provide information about how the Admission, the Placing and acquisitions might have affected the financial information presented on the basis of the accounting policies adopted by Smarttech247 Group plc ("the Company").

This report is required by guidance issued by the London Stock Exchange with respect to AIM and is given for the purpose of complying with the guidance issued by the London Stock Exchange and for no other purpose.

#### **Responsibilities**

It is the responsibility solely of the Directors of the Company to prepare the Statement of *Pro forma* Net assets.

It is our responsibility to form an opinion as to the proper compilation of the Statement of *Pro forma* Net assets and its consistency with the accounting policies of the Company and to report that opinion to you.

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

#### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purposes of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering evidence supporting the adjustments and discussing the Statement of *Pro forma* Net assets with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Statement of *Pro forma* Net assets has been properly compiled on the basis stated and as such is consistent with the accounting policies of Project Blackrock plc.

**Opinion**

In our opinion:

- The Statement of *Pro forma* Net assets has been properly compiled on the basis set out therein;
- Such bases are consistent with the accounting policies of the Company; and
- The adjustments are appropriate for the purposes of the Statement of *Pro forma* Net assets as disclosed.

**Declaration**

For the purposes of guidance issued by the London Stock Exchange 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 within the Admission Document in compliance with guidance issued by the London Stock Exchange.

Yours faithfully

**PKF Littlejohn LLP**

## **SECTION B: UNAUDITED *PRO FORMA* STATEMENT OF NET ASSETS OF THE GROUP**

Set out below is an unaudited pro forma statement of net assets of Smarttech247 Group Plc (“the Company”), Zefone Limited and its subsidiary Smarttech247 Cyber Security s.a.r.l (“Zefone”), Smart Systems Security Limited (“Smart Systems”) and Smarttech247 sp. Z o.o. (“Smarttech247 sp. Z o.o.”) (together “the Enlarged Group”) as at 10 October 2022. The unaudited pro forma statement of net asset of the Enlarged Group has been prepared on the basis set out in the notes below to illustrate the impact of the Placing and acquisitions of Smart Systems and Smarttech247 sp. Z o.o. as if they had taken place on 10 October 2022.

The unaudited *pro forma* information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The unaudited *pro forma* information is based on the unaudited net assets of Smarttech247 Group plc as at 10 October 2022, the unaudited net assets of Zefone Limited as at 31 January 2022, as shown in Section C of Part III of this Document and the unaudited net assets of Smart Systems as at 31 July 2021 and the unaudited net assets of Smarttech247 sp. Z o.o. as at 31 December 2021. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 December 2022 for Smarttech247 sp. Z o.o., 31 January 2022 for Zefone, 31 July 2021 for Smart Systems and 10 October 2022 for the Company, being the date of the last published financial information of Zefone, and latest management accounts for Smart Systems, Smarttech247 sp. Z o.o. and the Company.

The unaudited *pro forma* information does not constitute financial statements within the meaning of section 434 of the Act. Investors should read the whole of this Document and not rely solely on the summarised financial information contained in this Part IV.



## Unaudited pro forma statement of net assets as at 10 October 2022

	The Company Unaudited Net Assets as at 10 October 2022 (Note 1) €'000	Zefone Limited Unaudited Net Assets as at 31 January 2022 (Note 2) €'000	Smart Systems Security Limited Unaudited Net Assets as at 31 July 2021 (Note 3) €'000	Smarttech247 SP. Z o.o Unaudited Net Assets as at 31 December 2021 (Note 4) €'000	Acquisition adjustments (Note 5,6) €'000	Issue of Placing Shares and net of costs (Note 7) €'000	Unaudited <i>pro forma</i> adjusted net assets of the Enlarged Group on Admission €'000
<b>Assets</b>							
<b>Non-current assets</b>							
Investment in subsidiaries	—	—	—	—	—	—	—
Intangible assets	—	669	—	—	—	—	669
Property, plant and equipment	—	95	—	—	—	—	95
Right-of-use asset	—	19	—	—	—	—	19
Financial assets	—	1,167	—	15	—	—	1,182
<b>Non-current assets</b>	<b>—</b>	<b>1,950</b>	<b>—</b>	<b>15</b>	<b>—</b>	<b>—</b>	<b>1,965</b>
<b>Current assets</b>							
Cash and cash equivalents	—	3,973	—	—	(61)	3,242	7,154
Trade and other receivables	—	1,836	2	3	—	—	1,841
<b>Current assets</b>	<b>—</b>	<b>5,809</b>	<b>2</b>	<b>3</b>	<b>(61)</b>	<b>3,242</b>	<b>8,995</b>
<b>Total assets</b>	<b>—</b>	<b>7,759</b>	<b>2</b>	<b>18</b>	<b>(61)</b>	<b>3,242</b>	<b>10,960</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Trade and other payables	—	(1,922)	(5)	—	—	—	(1,927)
Financial liabilities	—	—	—	—	—	—	—
Lease liability	—	(32)	—	—	—	—	(32)
<b>Total current liabilities</b>	<b>—</b>	<b>(1,954)</b>	<b>(5)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,959)</b>
<b>Non-current liabilities</b>							
Borrowings	—	(2,303)	—	—	2,303	—	—
Lease liability	—	—	—	—	—	—	—
<b>Total non-current liabilities</b>	<b>—</b>	<b>(2,303)</b>	<b>—</b>	<b>—</b>	<b>2,303</b>	<b>—</b>	<b>—</b>
<b>Total liabilities</b>	<b>—</b>	<b>(4,257)</b>	<b>(5)</b>	<b>—</b>	<b>2,303</b>	<b>—</b>	<b>1,959</b>
<b>Total net assets</b>	<b>—</b>	<b>3,502</b>	<b>(3)</b>	<b>18</b>	<b>2,242</b>	<b>3,242</b>	<b>9,001</b>

### Notes

The *pro forma* statement of net assets has been prepared on the following basis:

1. The unaudited net assets of the Company as at 10 October 2022 have been extracted without adjustment from the latest management accounts available. No financial information for the Company has been included in the Document as the entity is immaterial to the Enlarged Group during the period.
2. The unaudited net assets of Zefone Limited as at 31 January 2022 have been extracted without adjustment from the unaudited interim financial information for Zefone Limited as shown in Section C of Part III of this Document.

3. The unaudited net assets of Smart Systems Security Limited as at 31 July 2021 have been extracted without adjustment from the unaudited financial information for Smart Systems Security Limited. These were extracted from the latest set of management accounts available. No financial information for Smart Systems Security Limited has been included in the Document as the entity is immaterial to the Enlarged Group during the period.
4. The unaudited net assets of Smarttech247 sp. Z o.o. as at 31 December 2021 have been extracted without adjustment from the unaudited financial information for Smarttech247 sp. Z o.o. These were extracted from the latest set of financial information available. No financial information for Smarttech247 SP Z.o.o has been included in the Document as the entity is immaterial to the Enlarged Group during the period.
5. A *pro forma* adjustment has been made to reflect the acquisition accounting of the Company's acquisition of Zefone Limited, which includes an adjustment to reflect the conversion of the Convertible Loan Notes in Zefone as per the CLN Instrument. No goodwill has been recognised as it is anticipated that the acquisition will fall outside of the scope of IFRS 3, due to the fact both entities were commonly controlled and as a result merger accounting will be applied with no goodwill recognised.
6. A *pro forma* adjustment has been made to reflect the acquisition accounting of Zefone's acquisition of Smart Systems Security Limited for consideration of €1,190 (£1,000) and Smarttech247 SP. Z o.o for consideration of €2,113 (PLN 10,000). Zefone will need to determine the fair value of the net assets acquired pursuant to the proposed acquisitions within 12 months of the acquisition dates in accordance with UK-adopted International Accounting Standards. No goodwill has been recognised as it is anticipated that the acquisition will fall outside of the scope of IFRS 3, due to the fact both entities were commonly controlled and as a result merger accounting will be applied with no goodwill recognised.
7. An adjustment has been made to reflect the proceeds of the Placing of 12,385,828 new Ordinary Shares of the Company at an Issue Price of £0.2966 per Ordinary Share less an adjustment to reflect the payment in cash of Admission-related costs estimated at approximately £870,000 translated at a rate of £1/€1.156 (€1,006,000) exclusive of any non-recoverable sales taxes.
8. No adjustments have been made to reflect the trading or other transactions, other than described above of:
  - a. the Company since 10 October 2022.
  - b. Zefone Limited since 31 January 2022.
  - c. Smart Systems Security Limited since 31 July 2021.
  - d. Smarttech247 SP. Z o.o since 31 December 2021.
9. The *pro forma* statement of net assets does not constitute financial statements.

## **PART V**

### **CORPORATE GOVERNANCE REPORT**

As a company that will be admitted to trading to AIM, the Group is not required to comply with a particular corporate governance code. However, it is required to provide details of the corporate governance code it has decided to apply and state how it will comply with that code.

The Directors support high standards of corporate governance and have decided to comply with the QCA Code. Set out below are details of how the Group will comply with the QCA Code with effect from Admission.

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

The Group's business model and strategy is set out in Part I of this Admission Document. The Board will hold at least one session each year dedicated to strategy, which will include input from senior members of the executive management team and any necessary external advisers. A strategic report reflecting the outcome of such sessions will be included in the Company's annual report and accounts.

The principal risks facing the Group are set out in Part II of this Admission Document. The Board will identify and deploy mitigation steps to manage these risks and confront day-to-day challenges of the business post-Admission. See in addition, Principle 4 below.

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

The Board is committed to open and ongoing engagement with the Group's Shareholders. The Board will communicate with Shareholders through:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate);
- annual general meetings; and
- the Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages).

From Admission, the Finance Director will be the primary contact for Shareholders and there will be a dedicated e-mail address for shareholder questions and comments.

Regular meetings will be held between the Chief Executive Officer, Finance Director and institutional investors and analysts to ensure that the Group's strategy, financials and business developments are communicated effectively.

The Board intends to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

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

The Group takes its corporate social responsibilities seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including employees, existing and new direct customers, Introducers, other intermediaries and professional advisers that it collaborates with as part of its business strategy, in order to achieve long-term success.

The Executive Directors will maintain an ongoing dialogue with stakeholders to inform strategy and the day-to-day running of the business.

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

The principal risks facing the Group and the industry in which it operates are set out in Part II of this Admission Document. These risks will be reviewed at least once a year and included in the annual report and accounts.

The Group will operate a risk framework including a risk register that is managed by the Finance Director. The risk register is intended to be signed off annually by the Board and included in the annual report and accounts. The Chief Executive Officer and the Audit Committee intend to review the risk register regularly throughout the year.

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

On Admission, the Board will comprise five directors:

- Sarah Cope and Michael Connolly as Non-Executive Directors;
- Ronan Murphy as Executive Chairman, Raluca Saceanu as Chief Executive and Nicholas Lee as Finance Director.

The biographies of the Directors are provided in Part I of this Admission Document.

Sarah Cope and Michael Connolly are considered by the Board to be independent Non-Executive Directors and were appointed with the objective of bringing experience and independent judgement to the Board.

The Board has been constructed to ensure that it has the right balance of skills, experience, independence and knowledge of the business.

The Board is also supported by the Audit Committee and Remuneration Committee.

The Board will meet regularly and at least 10 times a year. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary for him/her to discharge his/her duties.

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

The skills and experience of the Directors are summarised in their biographies set out in Part I of this Admission Document.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives.

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

The Chairman is responsible for ensuring an effective Board. Following Admission, the Group intends to establish a formal process for evaluating the performance of the Board, the committees, and the individual Directors against its objectives to ensure that members of the Board provide a relevant and effective contribution.

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

The Group will promote a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees.

The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

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

The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Finance Director is the primary contact for the Company's Shareholders and responsible for ensuring that the link between the Board and the shareholders is strong and efficient. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board has adopted Terms of Reference, which have a clear and specific schedule of matters reserved for the Board, including corporate governance, strategy, major investments, financial reporting and internal controls.

The Board is supported by the Audit Committee and Remuneration Committee. From time to time, separate committees may be set up by the Board in order to consider and address specific issues, as and when they arise.

The Board intends to review the governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

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

The Group intends to use the following principal methods of communication with its Shareholders:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate)
- the annual general meetings; and
- the Group's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages which will go live on Admission).

The Group's website is updated on a regular basis with information regarding the Group's activities and performance. The Group's reports, presentations, notices of annual general meetings, and results of voting at shareholder meetings will also be made available on the website.

Other than as set out above in this Part V, there are no material changes or impacts to corporate governance, the Board or committees (in so far as this has been already decided by the Board and/or shareholders meeting).

## PART VI

### TAXATION

#### **General**

The following statements do not constitute tax advice and are intended only as a general guide to current UK law as applied in England and Wales and HMRC published practice, which may not be binding on HMRC, as at the date of this Admission Document (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Shareholders and are intended to apply only, except to the extent stated below, to persons who are resident and, if individuals, domiciled in the UK for UK tax purposes, who are absolute beneficial owners of the New Ordinary Shares and any dividends paid on them (otherwise than through an Individual Savings Account or a Self-Invested Personal Pension) and who hold the New Ordinary Shares as investments (and not as securities to be realised in the course of a trade).

They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their New Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

**Any person who is in any doubt as to their tax position, or who is subject to taxation in any jurisdiction other than the UK, should consult their own professional adviser without delay.**

#### **United Kingdom taxation**

##### ***Taxation of dividends***

##### ***(A) United Kingdom resident shareholders***

The following information is based on current UK tax law in relation to rules applying to dividends paid to individuals and trustees from 6 April 2022 onwards. There is a dividend allowance of £2,000 per annum for individuals. Dividends falling within this allowance will not be subject to income tax. If an individual receives dividends in excess of this allowance in a tax year, the excess will be taxed at 8.75 per cent, (for individuals not liable to tax at a rate above the basic rate), 33.75 per cent. (for individuals subject to the higher rate of income tax) and 39.35 per cent. (for individuals subject to the additional rate of income tax). The rate of tax paid on dividend income by trustees of discretionary trusts is 8.75 per cent (for dividend income that falls within the standard rate band) and 39.35 per cent (for dividend income that falls above the standard rate band). The dividend allowance will be reduced to £1,000 from 6 April 2023 and to £500 from 6 April 2024, as was announced in the Autumn Statement 2022. United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

Dividend income that is within the dividend allowance counts towards an individual's basic or higher rate limits - and will therefore impact on the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the dividend allowance. In calculating into which tax band any dividend income over the dividend allowance falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

##### ***(B) Companies***

Subject to UK dividend exemption rules, a corporate Shareholder resident in the UK (for tax purposes) should generally not be subject to corporation tax or income tax on dividend payments received from the Company.

### **(C) Non-residents**

Non-resident shareholders may be liable to tax on dividend income under the tax law of their jurisdiction of residence. Non-UK resident Shareholders should consult their own tax advisers in respect of their liabilities on dividend payments.

### **Taxation of chargeable gains**

#### **(A) Individual Shareholders**

A disposal or deemed disposal of New Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax, depending on the circumstances and subject to any available exemption or relief.

#### **(B) Corporate Shareholders**

Where a Shareholder is within the charge to corporation tax, including cases where it is not resident (for tax purposes) in the UK, a disposal of New Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, dependent on the circumstances and subject to any relevant exemption or relief.

#### **(C) Non-resident Holders**

A Shareholder that is not resident in the UK (and is not temporarily non-resident) for UK tax purposes and whose New Ordinary Shares are not held in connection with carrying on a trade, profession or vocation in the UK nor held in a UK 'property rich company' generally will not be subject to UK tax on chargeable gains on the disposal of New Ordinary Shares.

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

The statements below (which apply whether or not a Shareholder is resident or domiciled in the UK) summarise the current position and are intended as a general guide only to stamp duty and SDRT. Certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

No UK stamp duty or SDRT will be payable on the issue of New Ordinary Shares, other than as explained below.

Dealings in New Ordinary Shares will generally be subject to stamp duty or SDRT in the normal way. An instrument effecting the transfer on sale of New Ordinary Shares will generally be liable to stamp duty at the rate of 0.5 per cent. (rounded up, if necessary, to the nearest multiple of £5) of the amount or value of the consideration payable. However, where the amount or value of the consideration is £1,000 or less, and provided that the transfer does not form part of a larger transaction or series of transactions where the combined consideration exceeds £1,000, such instrument should generally be exempt from charge upon certification of such facts.

An unconditional agreement to transfer New Ordinary Shares will generally be liable to SDRT at the rate of 0.5 per cent. Of the amount or value of the consideration payable, but such liability will be cancelled, or a right to a repayment (generally, but not necessarily, with interest) in respect of the payment of such SDRT liability will arise, if the agreement is completed by a duly stamped or exempt transfer within six years of the agreement having become unconditional. Stamp duty and SDRT are normally the liability of the purchaser.

Subject to certain exemptions, a charge to stamp duty or SDRT will arise on the transfer of New Ordinary Shares to a person providing a clearance service, its nominee or agent, or to an issuer of depositary receipts, its nominee or agent, where that transfer is not an integral part of an issue of share capital. The rate of stamp duty or SDRT, as the case may be, in such circumstances will generally be 1.5 per cent. Of the amount or value of the consideration for the transfer or, in some circumstances, the value of the New Ordinary Shares concerned, in the case of stamp duty rounded up, if necessary, to the nearest multiple of £5.

No stamp duty or SDRT will arise on a transfer of New Ordinary Shares into the CREST system provided that the transfer is not for money or money's worth. Paperless transfers of New Ordinary Shares within CREST are liable to SDRT (at a rate of 0.5 per cent. of the amount or value of the

consideration payable) rather than stamp duty, and SDRT arising on the agreement to transfer New Ordinary Shares under relevant transactions settled within the system or reported through it for regulatory purposes will generally be collected by CREST.



## PART VII

### ADDITIONAL INFORMATION

#### 1 Responsibility Statement

The Directors whose names appear on page 8 of this Admission Document, and the Company accept responsibility, both individually and collectively, for the information contained in this Admission Document, including expressions of opinion and individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure that such is the case), the information contained in this Admission Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Incorporation and registration

- 2.1 The Company was incorporated and registered in England on 29 September 2022 under the Companies Act 2006 with the name Project Blackrock Limited and registered number 14385467. It was incorporated with one share of £0.01, held by ATL.
- 2.2 On 11 October 2022, the Company swapped its name with Smarttech247 Group Limited (registered number 13675199).
- 2.3 On 22 November 2022, the Company was re-registered as a public company and changed its name to Smarttech247 Group plc.
- 2.4 The Company was incorporated in and is domiciled in the United Kingdom and the principal legislation under which it operates is the Act and the regulations made thereunder.
- 2.5 The Company's web address at which information required by Rule 26 of the AIM Rules for Companies can be found is <https://www.smarttech247.com> and its telephone number is +353 21 206 60 33.
- 2.6 The registered office address of the Company is at 165 Fleet Street, London EC4A 2DY.
- 2.7 On 5 October 2022, the Company shortened its accounting reference period such that it now ends on 31 July 2023 instead of 30 September 2023.

#### 3. Group organisation

- 3.1 The Company is the holding company of the Group and has the following subsidiary undertakings:

<u>Name</u>	<u>Country of incorporation or residence</u>	<u>Proportion of ownership interest (per cent)</u>	<u>Proportion of voting power (per cent)</u>	<u>Shareholder</u>	<u>Trading Status</u>
Zefone Limited t/a Smarttech247	Ireland	100	100	Company	Operational
Smarttech247 Cyber Security SRL	Romania	100	100	Zefone	Operational
Smart Systems Security Limited	England and Wales	100	100	Zefone	Operational
Smarttech247 sp. z o.o	Poland	100	100	Zefone	Operational

Smarttech247 holds 8,824 fully paid Series A Preference Shares of €0.001 each in Visibility Blockchain Limited, which equates to 3.66 per cent. of the entire issued share capital of Visibility Blockchain Limited. These shares do not give rights to receive notice of any general meeting of Visibility Blockchain Limited, or to attend thereat or vote on any resolution at a general meeting. Ronan Murphy, who is a Director, is also a director of Visibility Blockchain Limited.

#### 4. Share capital of the Company

- 4.1 The history of the Company's share capital since its incorporation is as follows:
- (a) On 29 September 2022, the Company was incorporated with one Ordinary Share of £0.01, held by ATL.
  - (b) On 18 November 2022, the Company entered into a share exchange agreement with ATL pursuant to which it purchased the entire issued share capital of Smarttech247 in exchange for the issue of 87,499,999 Ordinary Shares in itself. Following completion of the Share Exchange Agreement, ATL held 87,500,000 Ordinary Shares and the Company held the entire issued share capital of Smarttech247. Further details of the Share Exchange Agreement are set out in paragraph 14(i) of this Part VII.
- 4.2 As at 29 November 2022, being the last practicable date before the publication of this Admission Document, the Company's aggregate issued share capital was £875,000 divided into 87,500,000 Ordinary Shares. The nominal value of each share is £0.01. The Company does not have an authorised share capital. All Company shares issued are fully paid.
- 4.3 The holders of Existing Ordinary Shares will be diluted by the issue of the New Ordinary Shares. The effective dilution rate, assuming none of the holders of the Existing Ordinary Shares participates in the Placing, is 29.48 per cent.
- 4.4 The net asset value of an existing Ordinary Share prior to the issue of the New Ordinary Shares, based on the net assets of Zefone Limited, the Company's wholly owned subsidiary, as at 31 July 2021, is 3.58 pence per Ordinary Share. The Placing Price is 29.66 pence per New Ordinary Share.
- 4.5 All the Ordinary Shares rank *pari passu* and no Shareholder enjoys different or enhanced voting rights from any other Shareholder.
- 4.6 No shares in the capital of the Company are held by or on behalf of the Company or any other member of the Group.
- 4.7 As at the date of this Admission Document, the following Option has been granted pursuant to the LTIP. Further details of the LTIP and Option are set out in paragraph 15 of Part VII of this Admission Document.

<b>Name</b>	<b>Number of Ordinary Shares pursuant to an Option under the LTIP</b>
<u>Raluca Saceanu</u>	4,541,290 <sup>1</sup>

<sup>1</sup> The Option granted to Raluca Saceanu is a Greater Value Option, as defined in paragraph 15 of Part VII of this Admission Document, except that the Option shall vest by reference to the date of Admission and not by reference to the date of grant. The Option is exercisable at £0.2966 per Ordinary Share.

4.8 Conditional on Admission, the following Warrants will be granted:

<u>Warrant holder</u>	<u>Date of grant</u>	<u>Expiry date</u>	<u>Number of Warrants</u>	<u>Exercise price per Ordinary Share</u>
Fortified Advisory <sup>1</sup>	Date of Admission	48 months from the date of Admission	161,834	Placing Price
Fortified Securities <sup>1</sup>	Date of Admission	48 months from the date of Admission	380,984	Placing Price
Shard	Date of Admission	48 months from the date of Admission	118,004	Placing Price
SPARK	Date of Admission	48 months from the date of Admission	202,293	Placing Price

<sup>1</sup> Trading names of RGC.

4.9 On Admission, an aggregate of 13,646,441 New Ordinary Shares will be allotted and issued to the CLN Holders. For further details of the Convertible Loan Notes please refer to paragraph 14(vi) of Part VII of this Admission Document.

## 5. Summary of Articles

- 5.1 Copies of the Articles are available on written request to the Company Secretary of the Company and are available for inspection and on the Company's website at [www.smarttech247.com](http://www.smarttech247.com), as set out in paragraph 25 of this Part VII.
- 5.2 The following is a summary of certain provisions of the Articles that were adopted by a special resolution passed on 18 November 2022.
- 5.3 This summary does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

### ***Votes of members***

- (a) Every member who is present in person or by proxy or, being a corporation is present by a duly authorised representative, shall on a show of hands have one vote and every member present in person or by proxy, or being a corporation is present by a duly authorised representative shall on a poll have one vote for every share of which he is the holder.
- (b) Unless the Directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25% in nominal value of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006.
- (c) A resolution put to the vote at a general meeting held either partly or wholly by means of electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the Board, in its sole discretion, deems appropriate for the purposes of the meeting.

### ***Variation of rights***

- (d) Subject to the Companies Act, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three-quarters in nominal value of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class but not otherwise.
- (e) The provisions in the Articles as to general meetings shall apply, except that the quorum at every such meeting shall not be less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class

and if at any adjourned meeting of such holders such quorum as set out above is not present, at least one person holding shares of the class who is present in person or by proxy shall be a quorum.

#### ***Transfer of shares***

- (f) Subject to the provisions of the Articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the board approves and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- (g) The Directors may, in their absolute discretion, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. In exceptional circumstances approved by the London Stock Exchange, the Directors may refuse to register any such transfer, provided that their refusal does not disturb the market. The Directors shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to the Official List on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.
- (h) If the Directors refuse to register a transfer of a share, they shall notify the transferee of the refusal and the reasons for it within two months after the date on which the transfer was lodged with the Company or the instructions to the relevant system received.
- (i) The Articles contain no restrictions on the free transferability of fully paid Ordinary Shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

#### ***Payment of dividends***

- (j) Subject to the provisions of Companies Act and to any special rights attaching to any shares, the Company may by ordinary resolution declare dividends to be paid to the Shareholders according to their respective rights and interests in the profits of the Company, provided that no dividend will be declared in excess of the amount recommended by the Directors.
- (k) A member will not be entitled to receive any dividend if he has a holding of at least 0.25% of any class of shares of the Company and has failed to comply with a notice under section 793 CA 2006. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve. The Board may, by ordinary resolution of the Company direct, or in the case of an interim dividend may without the authority of an ordinary resolution direct, that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets.
- (l) The Board may deduct from any dividend or other money payable to any person on or in respect of a share all such sums as may be due from him or her to the Company on account of calls or otherwise in relation to the shares of the Company.

#### ***Unclaimed dividends***

- (m) All dividends, interest or other sums payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company. If cheques, warrants or orders for dividends are left uncashed following reasonable enquiries of any new address to be used, the Company does not have to send any dividends in respect of that share to that person until he or she notifies the Company of an address to be used for the purpose.

### ***Untraced Shareholders***

- (n) The Company may sell any share if, during a period of 12 years, at least three cash dividends (whether interim or final) in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent. Notice of the intention to sell must also be given to the London Stock Exchange.

### ***Return of capital***

- (o) Without prejudice to any right or power that the liquidator may have to divide or transfer the assets in specie without a special resolution, if the Company is wound up, the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company. This applies whether the assets shall consist of property of one kind or different kinds. For this purpose, the liquidator may set such value as the liquidator considers fair on any asset or assets and may determine how to divide it between the members or different classes of members. The liquidator may, with the authority of a special resolution and any other authority required by the law, transfer all or any part of the assets to trustees on such trusts for the benefit of members as the liquidator decides. Where the liquidator divides or transfers any assets in pursuance of the powers in this Article, no member shall be required to accept any asset in respect of which there is a liability.

### ***Borrowing powers***

- (p) Subject to the provisions of Companies Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

### ***Directors***

- (q) The Directors are entitled to fees, in addition to salaries, at the rate decided by them. The Directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.
- (r) If by arrangement with the Board any Director shall perform or render any special duties or services outside his or her ordinary duties as a Director and not in his or her capacity as a holder of employment or executive office, he or she may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine.
- (s) All Directors retire from office at each AGM. Any Director who retires in accordance with the Articles is eligible for re-election. A retiring Director is eligible for reappointment.
- (t) The Directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.
- (u) Except as provided below, a Director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to Companies Act, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.
- (v) In the absence of some other material interest than is indicated below, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- the giving of any security, guarantee or indemnity to him 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 subsidiaries;
  - the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or sub underwriting;
  - any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which only gives him or her benefits which are also generally given to employees to whom the arrangement relates;
  - any arrangement involving any other company if the Director (together with any person connected with the Director) has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder of that company). This does not apply if he or she knows that he has a Relevant Interest;
  - a contract relating to insurance which the Company can buy or renew for the benefit of the Directors or a group of people which includes Directors; and
  - a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates.
- (w) If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other Director will be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fully disclosed.
- (x) The Directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any Director, ex-Director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such Director, ex- Director, employee or ex-employee.

#### ***CREST***

- (y) The Directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

#### ***General meetings***

- (z) An annual general meeting must be called by at least 21 clear days' notice, and all other general meetings must be called by at least 14 clear days' notice.
- (aa) Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.
- (bb) No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.

- (cc) At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (dd) No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.
- (ee) The appointment of a proxy must be in any usual form, or such other form as may be approved by the Directors, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- (ff) The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- (gg) The Directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the Directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.
- (hh) The Directors may call general meetings at such times and places as it shall determine including the holding of general meetings by electronic means, either wholly or partly. The Shareholders present by electronic means or their proxies will be entitled to participate in the meeting. The holding of general meetings exclusively by electronic means is subject to, and insofar as permitted by, the Companies Act.

### **Redemption**

- (ii) Any share issued which can be redeemed is liable to be redeemed at the option of the Company or the holder. The Directors may determine the terms, conditions and manner of redemption of any redeemable shares issued, provided the Directors do so before the shares are allotted.

## **6. Other relevant laws and regulations**

- 6.1 The Company is subject to the Code. Brief details of the Takeover Panel, the Code and the protections they afford are described below.

The Code is issued and administered by the Takeover Panel. The Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed public company incorporated in the United Kingdom. The Company is a public company incorporated in the United Kingdom and its shareholders are therefore entitled to the protections afforded by the Code.

Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30% or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

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

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

- 6.2 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 Guidance and Transparency Rules to notify the company of the percentage of their voting rights if the percentage of voting rights which they hold as a shareholder or through their direct or indirect holding of financial instruments (or a combination of such holdings) reaches, exceeds or falls below three per cent., four per cent., five per cent., and each one per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares.
- 6.3 Pursuant to sections 979 to 991 of the Companies Act, where a takeover offer has been made for the Company and the offeror has acquired or unconditionally contracted to acquire not less than 90 per cent. of the voting rights carried by those shares, the offeror may give notice, to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire that he wishes to acquire and is entitled to so acquire, to acquire those shares on the same terms as the general offer.
- 6.4 Pursuant to Part 22 of the Companies Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows to be, or has reasonable cause to believe to be interested in the Company's shares or, at any time during the three years immediately preceding the date on which the notice is issued has been so interested, within a reasonable time to disclose to the Company particulars of any interest, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested (so far as is within his knowledge).

## 7. Directors of the Company

- 7.1 Details of the Directors, their business addresses and their functions in the Company are set out on page 8 of this Admission Document under the heading "Directors, secretary and advisers". Each of the Directors can be contacted at the registered office of the Company at 165 Fleet Street, London, EC4A 2DY.
- 7.2 In addition to being directors of the Company and/or Zefone Limited, the Directors hold or have held the directorships of the companies and/or are or were partners of the partnerships specified opposite their respective names below within the five years prior to the date of this Admission Document:

<b>Director's name</b>	<b>Current directorships</b>	<b>Previous directorships (within the past five years)</b>
Ronan Murphy	Amplified Technologies Limited Visibility Blockchain Limited Smart Systems Security Limited	It@Cork Company Limited by Guarantee Cumann Trachtala Corcaighe (The Cork Chamber of Commerce)
Raluca Saceanu	None	None
Nicholas Lee	ACL Capital Limited RiverFort Global Opportunities plc Chiswick School Boustead Agriculture Limited JL Services Limited Pires Investments plc	Paternoster Resources Limited MX Oil plc Eridge Capital Limited London Capital Group plc Polemos plc Atlas Oil and Gas Limited Greencare Capital plc



Director's name	Current directorships	Previous directorships (within the past five years)
	Immotion Group plc Oil and Gas Solutions Limited Conduity Capital plc	
Sarah Cope	Eneraqua Technologies plc Helium One (UK) Limited ( <i>subsidiary of Helium One Global – UK</i> ) Helium One Global Limited Medcaw Investments plc Northcote Energy Limited ( <i>subsidiary of Helium One Global – Cayman</i> ) Orana Corporate LLP Directa Plus plc	AAOG plc Attis Oil & Gas Limited Cantor Fitzgerald LP Predator Oil & Gas (Holdings) plc Lyphe Group Limited Oak Lea Services Limited Tenaz Energy plc
Michael Connolly	None	None

7.3 As at the date of this Admission Document, none of the Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) been declared bankrupt or been subject to any individual voluntary arrangement;
- (c) been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or partnership voluntary arrangement whilst he was a partner of that partnership or within 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any asset or been a partner in any partnership which had an asset placed in receivership whilst he was a partner of that partnership or within the 12 months after he ceased to be a partner of that partnership; or
- (f) been subject to any public criticisms by any statutory or regulatory authorities (including recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## 8. Directors' service agreements and letters of appointment

The following agreements have been entered into between the Directors as applicable and the Company:

- 8.1 Ronan Murphy and Raluca Saceanu were appointed as directors on 29 September 2022. Nicholas Lee was appointed as a director on the date of this document. Service agreements have been made between the Company and each of Ronan Murphy, Raluca Saceanu and Nicholas Lee, dated 30 November 2022 and with effect from the date of publication of this Admission Document, appointing the directors as Executive Chairman, Chief Executive Officer and Finance Director respectively. They are rolling agreements terminable on 12 months' written notice. Ronan Murphy's salary is €170,000 per annum, Raluca Saceanu's salary is €130,000 per annum and Nicholas Lee's salary is £49,000 per annum. Ronan Murphy and Raluca Saceanu are entitled to bonuses, subject to the approval of the Audit Committee and the Remuneration Committee and, subject to their compliance with their service contract and sickness policy, are entitled to full salary and benefits during any period of sickness up to a maximum 30 days in any 52-week period. Both Ronan Murphy and Raluca Saceanu are

entitled to a salary increase annually of 10%. The directors are not entitled to any benefits on termination. Nicholas Lee, who is employed 2.5 days per week, is not entitled to a bonus but, subject to his compliance with his service contract and sickness policy, is entitled to full salary and benefits during any period of sickness up to a maximum 15 days in any 52-week period. Each director agreed to usual restrictive covenants during the period of his or her employment. Each director agrees to keep confidential certain information relating to the business, and they each assign all intellectual property rights to the Company. Each director is subject to 12 month post-termination restrictive covenants against solicitation of customers, employment of group company employees, or competing with the business of the Company.

- 8.2 Letters of appointment between the Company and each of Sarah Cope and Michael Connolly dated 30 November 2022, terminable on three months' written notice. As non-executive directors of the Company each party will devote such time and attention as is necessary for the proper discharge of their responsibilities as a non-executive director, which will normally involve a time commitment of approximately two days per month. The directors are determined to be independent in accordance with the QCA Code and agree that they will not (except with the Board's prior written consent) be directly or indirectly engaged, concerned or interested in any other business which is wholly or partly in competition with or proposing to be in competition with the business carried on by any member of the Group. In consideration of the performance of their duties each non-executive director is entitled to €30,000 per annum in the case of Sarah Cope and €15,000 per annum in the case of Michael Connolly. The directors are not entitled to any benefits on termination. The Company undertook to put in place and maintain adequate directors' and officers' liability insurance.

## 9. Directors' shareholdings and other interests

- 9.1 The interests (all of which are beneficial) of the Directors in the issued share capital of the Company and (so far as is known to the Directors having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with s252 Companies Act) are as follows:

<b>Name</b>	<b>Number of Ordinary Shares at the date of this document</b>	<b>Percentage of Company's issued share capital (per cent.) at the date of this document</b>	<b>Number of Ordinary Shares at Admission</b>	<b>Percentage of Company's Enlarged Issued Share Capital (per cent.) at Admission</b>
Ronan Murphy	86,572,826 <sup>1</sup>	98.94	86,572,826 <sup>2</sup>	69.77

<sup>1</sup> Held through Mr Murphy's wholly-owned subsidiary, ATL.

<sup>2</sup> 74,447,389 Ordinary Shares of which will be held through ATL and 12,125,437 Ordinary Shares of which will be held through Plumtree Capital. On 27 November 2022, ATL sold 927,174 Ordinary Shares to a third party subject only to stamping which have not been included in ATL's interest as shown above.

- 9.2 As at the date of this Admission Document, the following Option has been granted to Raluca Saceanu, a Director, pursuant to the LTIP (further details of which are set out in paragraph 15 of this Part VII):

<b>Name</b>	<b>Number of Ordinary Shares pursuant to an Option under the LTIP</b>	<b>Percentage of Company's Enlarged Issued Share Capital (per cent.) at Admission</b>
Raluca Saceanu	4,541,290 <sup>1</sup>	4.00

<sup>1</sup> The Option granted to Raluca Saceanu is a Greater Value Option, as defined in paragraph 15 of Part VII of this Admission Document, except that the Option shall vest by reference to the date of Admission and not by reference to the date of grant. The Option is exercisable at £0.2966 per Ordinary Share.

- 9.3 Save as disclosed in this Admission Document, none of the Directors have any interests, whether beneficial or non-beneficial, in the issued share capital or loan capital of any member of the Group and nor does (so far as is known to the Directors having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with s252 Companies Act).
- 9.4 There are no potential conflicts of interest between any duties to the Company of the Directors and their private interests and other duties.
- 9.5 Save as set out in paragraph 9.6 of this Part VII of this Admission Document, there are no outstanding loans granted by any member of the Group to any of the Directors and there are no guarantees provided by any member of the Group for the benefit of any of the Directors.
- 9.6 The Group is owed €53,607 by Ronan Murphy, a Director. Ronan Murphy intends to repay this loan prior to Admission.
- 9.7 Save as disclosed in this document, no Director nor any member of his immediate family nor any person connected with him has a related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares being admitted.

## 10. Employees

- 10.1 The Group currently has 114 employees.
- 10.2 The table below sets out the number of persons employed by the Group during the financial years ended 2019, 2020 and 2021:

Financial year	Average number of persons employed
2021	67
2020	55
2019	32

- 10.3 Details of the Company's share incentive arrangements are set out at paragraph 15 (Share Incentive Arrangements) of this Part VII.

## 11. Related party transactions

- 11.1 Save as disclosed in this Admission Document or in the notes to the Historic financial information in Part III (Historic financial information on the Company) none of the members of the Group have entered into any related party transaction, as defined by the AIM Rules for Companies, during the period covered by the historic financial information.
- 11.2 On 18 November 2022, the Company entered into a share exchange agreement with ATL (which at the date of the agreement held the entire issued share capital of the Company and which is wholly-owned by Ronan Murphy, a Director) pursuant to which it purchased the entire issued share capital of Smarttech247 in exchange for the issue of 87,499,999 Ordinary Shares in itself. Upon completion of the Share Exchange Agreement, ATL held 87,500,000 Ordinary Shares and the Company held the entire issued share capital of Smarttech247. Further details of the Share Exchange Agreement are set out in paragraph 14(i) of this Part VII.
- 11.3 On 18 November 2022, Smarttech247 entered into a share purchase agreement with Ronan Murphy (who, on Admission, will hold 69.77 per cent. of the voting rights of the Company) to acquire the entire issued share capital of Smart Systems Security Limited. Further details of the share purchase agreement are set out in paragraph 14(vii) of Part VII (*Additional Information*) of this document.
- 11.4 On 29 July 2022, Smarttech247 entered into a share purchase agreement with each of Edward Skraba, Ronan Murphy (a Director who, on Admission, will hold 69.77 per cent. of the voting rights of the Company) and Krzysztof to acquire the entire issued share capital of Smarttech247 sp. z o.o.. Further details of the share purchase agreement are set out in paragraph 14(viii) of Part VII (*Additional Information*) of this document.

- 11.5 On 11 July 2022, Smarttech247 entered into a sub-lease with Smarttech247 sp. z o.o. pursuant to which it is sub-lessee of the property at Krakowski Park Technologiczny, Podole 60, 30-394 Krakow, Poland and its sub-tenant is Smarttech247 sp. Z o.o. which, at the time the sub-lease was entered into, was partly owned by Ronan Murphy (a Director who, on Admission, will hold 69.77 per cent. of the voting rights of the Company) and, following the acquisition referred to in paragraph 11.4 above, is now a subsidiary of Smarttech247.
- 11.6 On 18 November 2022, the Company entered into a Deed of Novation and amendment with the CLN Holders and Smarttech247 (a company which, at the time that the deed of novation and amendment was entered into, was wholly-owned by ATL which is in turn wholly-owned by Ronan Murphy, a Director). Further details of the Deed of Novation are set out in paragraph 14(vi) of this Part VII.

## 12. Significant shareholdings

- 12.1 As at 29 November 2022, being the last practicable date prior to the publication of this Admission Document, save as set out below, the Company is not aware of any persons who directly or indirectly have an interest of three per cent. or more of the Company's capital or voting rights:

Name of Shareholder	Number of Ordinary Shares	Percentage of issued share capital (per cent.)
Amplified Technologies Limited <sup>1</sup>	74,447,389	85.08
Plumtree Capital Limited (acting as trustee for ATL)	12,125,437	13.86

<sup>1</sup> On 27 November 2022, ATL sold 927,174 number of Ordinary Shares to a third party subject only to stamping, which have not been included in ATL's interest as shown above.

- 12.2 Following Admission, the following persons will (so far as is known to the Directors having made appropriate enquiries) directly or indirectly have an interest of three per cent. or more of the Company's capital or voting rights:

Name of Shareholder	Number of Ordinary Shares	Percentage of Entire Issued Share Capital (per cent.)
Amplified Technologies Limited <sup>1</sup>	74,447,389	60.00
Plumtree Capital Limited (acting as trustee for ATL)	12,125,437	9.77
EBT	10,546,713	8.50
Riverfort Global Opportunities plc	7,642,006	6.16
Premier Miton Group plc	4,720,161	3.80

<sup>1</sup> On 27 November 2022, ATL sold 927,174 Ordinary Shares to a third party subject only to stamping, which have not been included in ATL's interest as shown above.

- 12.3 As at 29 November 2022, being the last practicable date prior to the publication of this Admission Document, the Company was not aware of any person, who following Admission could directly, indirectly, jointly or severally have any an interest in the Company's capital or voting rights which is notifiable under the Company's national law or who exercises or could exercise control over the Company, other than as set out in paragraph 12.2 above.
- 12.4 As at 29 November 2022, being the last practicable date prior to the publication of this Admission Document, the Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.
- 12.5 The voting rights of the Shareholders set out in paragraph 12 do not differ from the voting rights held by other Shareholders.

12.6 As at 29 November 2022, being the last practicable date prior to the publication of this Admission Document, Ronan Murphy indirectly held 98.94 per cent. of the voting rights in the Company and, at Admission, he will indirectly hold 69.77 per cent. of the voting rights in the Company and therefore he indirectly controls the Company. Ronan Murphy has entered into a relationship agreement with the Company and SPARK to regulate the relationship between Ronan Murphy and the Company. Further details of the agreement can be found at paragraph 14(v) of Part VII of this Admission Document.

### **13. Principal investments**

Save as set out or referred to in this Admission Document:

13.1 no significant investments have been made by the Company since incorporation and up to the date of this Admission Document;

13.2 no significant investments by the Company are in progress;

13.3 there are no joint ventures or undertakings to which the Company holds a proportion of the capital that are likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses; and

13.4 there are no future significant investments by the Company in respect of which a legally binding commitment has already been made.

### **14. Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business):

- have been entered into by any member of the Group during the three years immediately preceding the date of this Admission Document; or
- have been entered into by a member of the Group and contain provision under which any member of the Group has any obligation or entitlement which is or may be material to any member of the Group at the date of this document:

(i) Share Exchange Agreement

On 18 November 2022, the Company entered into a share exchange agreement with ATL (which at the date of the agreement held the entire issued share capital of the Company) pursuant to which it purchased the entire issued share capital of Smarttech247 in exchange for the issue of 87,499,999 Ordinary Shares in itself. Following completion of the Share Exchange Agreement, ATL held 87,500,000 Ordinary Shares and the Company held the entire issued share capital of Smarttech247. ATL provided certain representations and warranties to the Company in relation to its title to the shares in Smarttech247 and its entitlement to transfer such shares to the Company. The legal and beneficial title to the shares in Smarttech247 transferred to the Company on 18 November 2022, on which date the Company became the sole member of Smarttech247.

(ii) Lock-in and Orderly Market Agreement

The Lock-in and Orderly Market Agreement was entered into on 30 November 2022 between the Company, SPARK, Shard, each of the Locked-in Shareholders and each of the CLN Holders pursuant to which the Locked-in Shareholders agreed not to dispose of any of their respective interests in Ordinary Shares for a period of 12 months following Admission other than under the exceptions outlined in Rule 7 of the AIM Rules. The Locked-in Shareholders also agreed that any sales of their shareholdings will be made (subject to certain conditions being fulfilled) through Shard for the purpose of maintaining an orderly market in the Ordinary Shares for a period of 24 months following Admission. The CLN Holders will also observe an orderly market restriction, whereby they agree that any disposals of their shares will be made through Shard for a period of 12 months following Admission. However, the CLN Holders will not be required to observe a lock-in.

(iii) Placing Agreement

A placing agreement dated 30 November 2022 was entered into between (1) the Company; (2) SPARK; (3) Shard; and (4) the Directors, pursuant to which Shard has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price and SPARK has been appointed as the Company's nominated adviser and has agreed to apply to the London Stock Exchange for Admission. The Placing Agreement is conditional on various matters required to effect the Placing and Admission, and the Placing Agreement having not been terminated. The Company has agreed to pay to Shard a cash commission and broker fee, and to SPARK a success fee. Under the Placing Agreement, the Company and the Directors have given certain customary warranties to Shard and SPARK and the Company has given certain customary indemnities and undertakings to Shard and SPARK in connection with the Placing and other matters relating to the Company and its affairs. Neither SPARK nor Shard is underwriting the Placing.

(iv) Nominated Adviser engagement letter and Nominated Adviser Agreement

On 30 November 2022, the Company and SPARK entered into a nominated adviser engagement letter pursuant to which the Company appointed SPARK to act as nominated adviser for the purposes of the Placing and Admission. The Company and SPARK have also entered into a nominated adviser agreement pursuant to which the Company agrees to retain SPARK as nominated adviser.

(v) Relationship Agreement

A Relationship Agreement dated 30 November 2022 was entered into between (1) the Company; (2) the RA Shareholders; and (3) SPARK.

The Relationship Agreement provides that, subject to and conditional upon Admission and for so long as the RA Shareholders in aggregate have an interest in 20% or more of the share capital of the Company, the RA Shareholders, as far as they are each able to do so, shall exercise their voting rights in the Company so that (amongst other things):

- the Group is managed for the benefit of the Shareholders as a whole and independently of the RA Shareholders;
- all arrangements between any member of the Group and the RA Shareholders be on an arm's length basis and on normal commercial terms; and
- no action is taken that might reasonably prevent the Company from complying with its obligations under the AIM Rules and other applicable laws.

(vi) Convertible Loan Notes and Deed of Novation

A convertible loan note instrument was constituted by Smarttech247 on 7 May 2021. The principal amount of Convertible Loan Notes was limited to €3 million. Pursuant to subscription agreements dated 7 May 2021 and 31 May 2021 and made between Smarttech247, Ronan Murphy, RiverFort Global Opportunities PLC, RiverFort Global Opportunities PCC Limited and Suir Valley Funds ICAV (acting solely in respect of its sub-fund, Sure Valley Ventures), €2.5 million Convertible Loan Notes were drawn down. The Convertible Loan Notes carry interest at the rate of 5% per annum. Each CLN Holder shall convert the nominal value outstanding on the Convertible Loan Notes held by it into Ordinary Shares at a price of 29.66 upon Admission into New Ordinary Shares.

On 18 November 2022, the Company entered into a Deed of Novation with the CLN Holders and Smarttech247, pursuant to which, conditional on Admission, Smarttech247 agreed to transfer all its rights and obligations under the Convertible Loan Notes to the Company immediately prior to Admission, in consideration for the payment by Smarttech247 to the Company of €2,683,562 being equal to the value of the Convertible Loan Notes on their redemption, such amount to be held on an intra-group loan account as an amount owed by Smarttech247 to the Company, and the Company agreed to perform Smarttech247's obligations under the Convertible Loan Notes. The Company further agreed to indemnify Smarttech247 against all losses that Smarttech247 incurs in connection with the Convertible Loan Notes.

- (vii) Share purchase agreement relating to the acquisition by Smarttech247 of the entire issued share capital of Smart Systems Security Limited.
- On 18 November 2022, Smarttech247 and Ronan Murphy (a Director who, on Admission, will hold 69.77 per cent. of the voting rights of the Company) entered into a share purchase agreement pursuant to which Smarttech247 agreed to acquire and Ronan Murphy agreed to sell his shares in Smart Systems Security Limited (being the entire issued share capital of Smart Systems Security Limited). The consideration for the acquisition was £1,000, paid in cash.
- The agreement contains customary warranties relating to the Ronan Murphy's ownership and title to his shares, as well as certain business and commercial warranties from Ronan Murphy. The agreement also contains certain limitations on Ronan Murphy's liability under the agreement. Notice of a breach of warranty must be given by Smarttech247 to Ronan Murphy within two years of completion.
- The agreement is governed by the laws of England and Wales.
- (viii) Share purchase agreement relating to the acquisition by Smarttech247 of the entire issued share capital of Smarttech247 sp. z o.o.
- On 29 July 2022, Smarttech247 and each of Edward Skraba, Ronan Murphy (a Director who, on Admission, will hold 69.77 per cent. of the voting rights of the Company) and Krzysztof Galicki (together, the "**Polish Subsidiary Sellers**") entered into a share purchase agreement pursuant to which Smarttech247 agreed to acquire and the Polish Subsidiary Sellers agreed to sell their respective shares in Smarttech247 sp. z o.o. (which, together, constituted the entire issued share capital of Smarttech247 sp. z o.o.). The consideration for the acquisition was PLN 10,000 (approximately £1,847), paid in cash.
- The agreement contains customary warranties relating to the Polish Subsidiary Sellers' ownership and title to their respective shares, as well as certain business and commercial warranties from Polish Subsidiary Sellers.
- The agreement is governed by the laws of Poland.
- (ix) Strategic collaboration agreement between RGC and Smarttech247
- On 31 May 2021, Smarttech247 entered into a strategic collaboration agreement with RGC (as varied pursuant to a deed of variation dated 30 November 2022), pursuant to which RGC, through its trading division Fortified Advisory, agreed to provide certain advisory and introductory services to Smarttech247 on a monthly retainer. In addition to the monthly retainer, Smarttech247 agreed to procure that the Company shall issue to RGC on Admission such number of warrants in the Company as is equal to £48,000 divided by the Placing Price, with a 48-month term and exercisable at the Placing Price as a success fee.
- In addition, for any introduction services which were to be carried out by RGC through its trading division, Fortified Securities, the Company agreed to (a) pay 5 per cent. of any monies received by the Group by way of any form of investment made from an investor referred by RGC to the Group ("**Gross Funds**"); and (b) issue warrants in the Company representing 5 per cent. of the Gross Funds, exercisable at the relevant placing price and with a 48-month term. RGC will also take part in the Placing.
- The agreement is terminable by either party giving the other at least one month's notice in writing.
- (x) Broker Engagement Letter
- On 25 November 2022, Smarttech247 and Shard entered into a broker engagement letter pursuant to which the Company appointed Shard to act as broker in relation to the Placing and Admission. Smarttech247 has agreed to pay to Shard certain fees and commissions in consideration for its services and has given certain standard undertakings to Shard.

(xi) Agreement with Conduity Capital plc

On 30 November 2022, Smarttech247 entered into an agreement with Conduity Capital PLC (“**Conduity**”) pursuant to which Conduity agreed to transfer to Smarttech247 certain retainers with professional advisors in connection with Admission and the Placing, and Smarttech247 agreed to take responsibility for payment of such retainers with effect from the date of the agreement. The agreement was entered into as a result of a change of transaction structure in respect of Admission, with which Conduity was originally involved, with the Group now enjoying the benefit of the retainers.

(xii) Warrant instrument

On 30 November 2022, the Company constituted a warrant instrument pursuant to which the Company may issue Warrants over Ordinary Shares. Each Warrant entitles the relevant Warrant holder to one Ordinary Share. The subscription price for each Warrant will be the Placing Price. It is intended that, on Admission, the Company shall issue 863,116 Warrants which will be capable of exercise at the Placing Price for a period of 48 months from Admission. The Warrant Instrument contains standard anti-dilution provisions and the Warrants are transferable, to the extent permitted under relevant securities laws and regulations, to any subsidiary or holding company of the relevant Warrant holder or any of its employees or shareholders without the need for approval, but are not otherwise transferrable.

(xiii) Agreement with Trustee of the EBT

The Smarttech247 Group Employee Benefit Trust was established by execution of a deed between the Company and Ocorian Trustees (Jersey) Limited the (“**Trustee**”) on 25 November 2022. The Company and the Trustee also entered into an agreement to facilitate the lending of funds by the Company to the Trustee for the purposes of subscribing for the EBT Shares. For further details of the EBT, please refer to paragraph 15 of this Part VII of this Admission Document.

(ix) Long Term Incentive Plan

Conditional upon Admission, the Board has adopted the LTIP, under which an Option will be granted. For details of the LTIP, please refer to paragraph 15 of this Part VII of this Admission Document.

## 15. Long Term Incentive Plan and EBT

The Board recognises the importance of share participation as a mechanism for recruiting, incentivising and rewarding Directors and employees.

### *Long Term Incentive Plan*

Conditional upon Admission, the Board has adopted the LTIP, under which Options will be granted.

Pursuant to the LTIP, in addition to the Options, the Company may grant an award to any employee of the Group (each, an “**Award**”). An Award may take the form of a conditional share award, a market value option, a nil cost option, a nominal cost option or a phantom option. It is currently intended that Awards granted following Admission will be in the form of market value options, subject to future discretion of the Remuneration Committee.

The Company may not grant an Award to any individual if that grant would result in the aggregate market value of Ordinary Shares subject to Awards made to that individual in that year exceeding any limit approved by the Remuneration Committee from time to time. For these purposes, the market value of an Award shall be measured as at the date it is granted.

The Company may not grant an Award if that grant would result in the total number of dilutive shares exceeding 7% of the Adjusted Enlarged Issued Share Capital (the “**Option Pool**”). For these purposes, dilutive shares means all shares of the Company which:

- (i) have been issued, or transferred out of treasury, on the exercise of options granted, or in satisfaction of any other awards made, under any share incentive scheme adopted by the Company (including the LTIP) during the shorter of:
  - a. the ten years ending on (and including) that date; and



- b. the period since such shares were first admitted to trading on AIM; and
- (ii) remain capable of issue, or transfer out of treasury, under any existing Award.

The LTIP may be used for the grant of Awards which are subject to performance conditions and continued employment or which are subject to continued employment only. All employees of the Group are eligible for selection to participate in the LTIP at the discretion of the Board. An Award is granted by an award certificate being executed by the Company issued to the employee. The Board may impose performance conditions on the vesting of Awards, and any such performance conditions may be varied, substituted or waived if the Board considers it appropriate. Following Admission, Awards comprising options are intended to be granted over such number comprising approximately 42 per cent. of the Option Pool and the vesting of such options shall depend on whether the value of shares under option is less than or greater than £10,000.

For options over shares with a value of up to and including £10,000:

- (i) 50% of the Ordinary Shares under Option shall vest on the first anniversary of the date of grant; and
- (ii) 50% of the Ordinary Shares under Option shall vest on the later of:
  - a. second anniversary of the date of grant; and
  - b. the date if any on which the Placing Price has increased by 200%.

For options over Ordinary Shares with a value greater than £10,000 ("**Greater Value Options**");

- (i) 50% of the Ordinary Shares under Option shall vest on the first anniversary of the date of grant;
- (ii) 25% of the Ordinary Shares under Option shall vest on the later of:
  - a. second anniversary of the date of grant; and
  - b. the date if any on which the Placing Price has increased by 200%; and
- (iii) 25% of the Ordinary Shares under Option shall vest on the later of:
  - a. third anniversary of the date of grant; and
  - b. the date if any on which the Placing Price has increased by 200%.

The Board may decide, at the vesting of an Award or at any time before, that malus provisions shall apply such that the number of Ordinary Shares subject to a participant's Award shall be reduced (including to nil) and/or that additional conditions shall be imposed on such basis that the Board in its discretion considers to be fair and reasonable in specified circumstances.

The Board may apply clawback to all or part of a participant's Award in substantially the same circumstances as apply to malus during the period of one year following the vesting of an Award. Clawback may be effected, among other means, by requiring the transfer of Ordinary Shares, payment of cash or reduction of awards.

Subject to the discretion of the Board, participants may be subject to a "holding period" following the exercise of an option or release of a conditional share award. During this period, the participant is permitted to sell only sufficient Shares to cover tax and acquisition costs.

The LTIP includes what is considered to be standard market practices such that, except in certain "good leaver" circumstances, an Award will lapse immediately upon a participant ceasing to be employed by or holding office with the Group.

In the event of a takeover, compulsory acquisition of Ordinary Shares, scheme of arrangement, or winding-up of the Company, Awards shall vest in full.

If there is a corporate event resulting in a new person or company acquiring control of the Company, the Board may (with the consent of the acquiring company) alternatively decide that Awards will not vest but that the Awards may be replaced by equivalent new awards over shares in the new acquiring company.

If there is a variation of share capital of the Company or in the event of a demerger or other distribution, special dividend or distribution, the Board may make such adjustments to Award, including the number of Ordinary Shares subject to each Award and the option exercise price (if any), as it may determine.

In respect of any Award, the Board may decide that participants will receive a payment (in cash and/or additional Shares) equal in value to any dividends that would have been paid on the Ordinary Shares which vest under that Award by reference to the period between the time when the relevant award was granted and the time when the relevant award vested. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie.

The Board may, at any time, establish further plans based on the LTIP for overseas territories. Any such plan shall be similar to the LTIP, but modified to take account of local tax, exchange control or securities laws.

All Ordinary Shares allotted or transferred under the LTIP shall rank equally in all respects with the Ordinary Shares for the time being in issue save as regards any rights attaching to such Ordinary Shares by reference to a record date prior to the date of such allotment or transfer.

The Board may, at any time, amend the provisions of the LTIP in any respect except that amendments may not normally adversely affect the rights of participants except where participants are notified of such amendment and the majority of participants approve such amendment.

#### *EBT*

Pursuant to an agreement between the trustee of the EBT and the Company, the Company shall, on Admission, issue and allot a total of 10,546,713 Ordinary Shares (amounting to 8.5% of the Company's Enlarged Issued Share Capital) at nominal value per Ordinary Share to the EBT. These Ordinary Shares shall be held in the EBT on general trust pending transfer upon the vesting (or exercise, as the case may be) of awards granted under the LTIP, and for such other purposes relating to the ongoing recruitment, retention and incentivisation of employees as may be recommended by the Company from time to time (subject to the approval of the Remuneration Committee).

## **16. Litigation**

There are no, and have been no, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against it of which the Company is aware) during the period of 12 months prior to the date of this Admission Document which may have, or may have had in the recent past a significant effect on the Company's and/or the Group's financial position or profitability.

## **17. Property**

17.1 The Group's principal properties are as follows:

<b>Property</b>	<b>Function</b>	<b>Type</b>
Unit 17A Cork Airport Business Park, Kinsale Road, Cork	Office space	Lease
Krakowski Park Technologiczny, Podole 60, 30-394 Krakow, Poland	Office space	Lease
B-DUL IANCU DE HUNEDOARA NR. 54B ET. 2 Bucuresti Romania	Office space	Lease
Belfast property – 2nd floor, room 2.08 55-59 Adelaide St, Belfast BT2 8FE	Office space	Lease

17.2 As far as the Company is aware there are no environmental issues that may affect the utilisation of these properties or any other tangible fixed assets.

## **18. Intellectual property and licences**

18.1 Smarttech247's intellectual property consists of trademarks, trade secrets, know-how and domain names.

18.2 The Company holds certain patents granted and pending, trademarks, trade secrets, know-how and domain names.

## 19. Working capital

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

## 20. Significant Change

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 January 2022, the date to which the unaudited interim financial information on Zefone Limited set out in Section C of Part III of this document was prepared, except for:

- The completion of the Share Exchange per the Share Exchange Agreement as outlined in Section VI paragraph 14;
- The Convertible Loan Note Novation as outlined in Section VI paragraph 14;
- The acquisition of Smarttech247 SP. Z O.O. as outlined in Section VI paragraph 11 and paragraph 14;
- The acquisition of Smarttech Systems Security Limited as outlined in Section VI paragraph 11 and paragraph 14

## 21. Auditors

21.1 The auditors of Smarttech247 and its subsidiaries are Ernst & Young Chartered Accountants and Statutory Audit Firm with an address at city Quarter, Lapps Quay, Cork, Ireland and members of the Chartered Accountants Ireland.

21.2 The financial information included in this Admission Document does not constitute statutory accounts within the meaning of s434(3) of the Companies Act. Statutory accounts of the Company for the financial years ended 31 December 2019 and 31 December 2020 have been delivered to the Registrar of Companies and in respect of the statutory accounts for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, the Company's auditor has made a report under s495 of the Companies Act in respect of each of those statutory accounts and each such report was an unqualified report and did not contain a statement under s498 (2) or (3) of the Companies Act.

## 22. Expenses

22.1 The total costs, charges and expenses payable by the Company in connection with the Admission and the Placing are estimated to be £869,851 (exclusive of VAT).

22.2 No person (excluding professional advisers otherwise disclosed in this Admission Document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding Admission, or entered into contractual arrangements (not otherwise disclosed in this Admission Document) to receive on or after Admission, directly or indirectly, from the Company any of the following:

- (a) fee totalling £10,000 or more;
- (b) securities in the Company with a value of £10,000 or more, calculated by reference to the Issue Price of the Ordinary Shares; or
- (c) any other benefit with a value of £10,000 or more.

22.3 Smarttech247 has agreed to procure, on Admission: (a) the issue by the Company to RGC acting by its trading division, Fortified Securities, 380,984 warrants over Ordinary Shares, with a 48-month term and exercisable at the Placing Price with respect to introductory services for the Placing; (b) the issue by the Company to RGC acting by its trading division, Fortified Advisory, 161,834 warrants over Ordinary Shares, with a 48-month term and exercisable at the Placing Price with respect to corporate finance services with respect to Admission (the aggregate warrants being granted to RGC being 542,818 warrants over Ordinary Shares);

(c) the payment of a sum by the Company to RGC acting by its trading division, Fortified Securities, of £113,000 with respect to introductory services for the Placing, which RGC has elected to subscribe for shares in the Company at the Placing Price. Further details are set out in paragraph 14(ix) of this Part VII (*Additional Information*).

### **23. Consents**

23.1 SPARK has given and not withdrawn its written consent to the issue of this Admission Document with the inclusion in it of its name in the form and context in which it appears.

23.2 PKF Littlejohn has given and has not withdrawn its written consent to the inclusion in this Admission Document of its accountant's report on the historic financial information relating to the Company in Part III (Historic financial information) of this Admission Document in the form and context in which it appears and has authorised the contents of that report for the purposes of the AIM Rules for Companies.

23.3 Shard has given and not withdrawn its written consent to the issue of this Admission Document with the inclusion in it of its name in the form and context in which it appears.

### **24. Sources of Information**

Where information in this document has been sourced from a third party, the source has been given along with the information, it has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **25. Copies of documents**

Copies of this Admission Document and the Articles will be available free of charge on the Company's website at [www.smarttech247.com](http://www.smarttech247.com).

**Dated: 30 November 2022**

## PART VIII

### TERMS AND CONDITIONS OF THE PLACING

The terms and conditions set out in this Part VIII (the “**Terms and Conditions**”) apply in respect of the Placing only.

The Terms and Conditions and the information in this document is restricted and is not for publication, release or distribution, directly or indirectly, in whole or in part, in or into or from the United States, Australia, Canada, Japan, the Republic of South Africa or any other state or jurisdiction in which such publication, release or distribution would be unlawful. The Terms and Conditions and the information contained herein is not intended to and does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United States, Australia, Canada, Japan, the Republic of South Africa or any other state or jurisdiction in which such an offer would be unlawful.

#### **Important information for invited Placees only regarding the Placing**

Members of the public are not eligible to take part in the Placing. This document and the terms and conditions set out in this Part VIII are for information purposes only and are directed only at: (A) in a member state of the European Economic Area, persons who are “qualified investors” as defined in Article 2(e) of Regulation (EU) 2017/1129 (“**EU Prospectus Regulation**”); and (B) in the United Kingdom, persons falling within the meaning of Article 2(e) of the Prospectus Regulation and who are (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the FPO; (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49(2)(a) to (d) of the FPO; or (iii) persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons (“**Relevant Persons**”). It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, no person of any other description under any circumstance should rely on or act upon the contents of this document.

By accepting the Terms and Conditions, each Placee represents and agrees that it is a Relevant Person. This document and the Terms and Conditions must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document and the Terms and Conditions relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons into whose possession this document (including the Terms and Conditions set out in this Part VIII) comes are required by the Company and the Broker to inform themselves about and to observe any such restrictions.

This document does not itself constitute an offer for sale or subscription of any securities in the Company.

This document is not for publication or distribution, directly or indirectly, in or into the United States. This document is not an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold, resold, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States. The Placing Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in, and in accordance with Regulation S of the Securities Act (“**Regulation S**”).

The securities mentioned herein have not been and will not be approved or disapproved by the US Securities and Exchange Commission (the “**SEC**”), any state securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Each Placee should consult with its own advisers as to legal, tax, business and related aspects of an investment in Placing Shares. The price of shares and the income from them (if any) may go down as well as up and investors may not get back the full amount invested on disposal of shares.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

These Terms and Conditions apply to persons making an offer to subscribe for Placing Shares. Each Placee will be deemed to have read and understood this Admission Document (including the Terms and Conditions) and hereby irrevocably and unconditionally agrees with the Broker and the Company to be bound by these Terms and Conditions as being the terms and conditions upon which Placing Shares will be issued. A Placee shall, without limitation, become so bound if the Broker confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to subscribe for the number of Placing Shares allocated to it at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Admission Document, unless the context otherwise requires, “**Placee**” means a Relevant Person who has been invited to participate in the Placing and on whose behalf a commitment to subscribe for Placing Shares has been given.

### ***Introduction***

The Broker may require a Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations and/ or undertakings as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (for the purposes of this Part VIII, a “**Placing Letter**”). The terms of this Part VIII will, where applicable, be deemed to be incorporated into that Placing Letter.

### ***Details of the Placing Agreement and the Placing Shares***

The Broker has entered into a Placing Agreement with the Company, SPARK and the Directors, under which the Broker has, on the terms and subject to the conditions set out therein, conditionally undertaken to use reasonable endeavours to procure, as the Company’s agent, subscribers for the Placing Shares at the Placing Price. It is expected that the Placing will raise approximately £3.7 million in gross proceeds. The Placing is not being underwritten by the Broker.

The Placing Shares will, when issued, be subject to the articles of association of the Company, will be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Placing Shares.

The Placing Agreement is subject to customary conditions and termination rights.

The Placing Shares will trade on AIM with ISIN GB00BMGNDN03.

### ***Application for Admission to trading on AIM of the Placing Shares***

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that settlement of the Placing Shares and Admission will become effective at 8.00 a.m. on or around 15 December 2022 and that dealings in the Placing Shares will commence at that time. In any event, the latest time and date for Admission is 8.00 a.m. on 15 December 2022.

### ***Placing***

This Part VIII gives details of the terms and conditions, and the mechanics, of participation in the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Participation in, and principal terms of, the Placing are as follows:

1. The Broker (whether through itself or any of its affiliates) is arranging the Placing as placing agent for, and broker of, the Company.
2. The Placing Price will be a fixed price of 29.66 pence per Placing Share.
3. The number of Placing Shares to be issued will be agreed between the Broker and the Company.
4. Participation in the Placing is only available to Relevant Persons who are lawfully able to be, and have been, invited to participate by the Broker. The Broker and/or its affiliates may participate in the Placing as principals.
5. The Company and the Broker reserve the right (i) to scale back the number of Placing Shares to be subscribed for by any Placee in the event of the Placing being over-subscribed; and (ii) not to accept offers for Placing Shares or to accept such offers in part rather than in full. The Company reserves the right to reduce the amount to be raised pursuant to the Placing, in agreement with the Broker.
6. Each Placee's allocation of Placing Shares has been or will be confirmed to Placees orally, or in writing (which can include email), by the Broker and a Contract Note has been or will be despatched as soon as possible thereafter. The Broker's oral or written confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of the Broker and the Company, under which it agrees to acquire by subscription the number of Placing Shares allocated to it at the Placing Price and otherwise on the terms and subject to the conditions set out in this Part VIII and in accordance with the Company's articles of association. Except with the Broker's consent, such commitment will not be capable of variation or revocation. The Terms and Conditions set out in this Part VIII will be deemed to be incorporated in that Contract Note or such other confirmation and will be legally binding on the Placee on behalf of which it is made and except with the Broker's consent will not be capable of variation or revocation from the time at which it is issued.
7. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Broker (each as agent for the Company), to pay to the Broker or as the Broker may direct in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares allocated to such Placee at the Placing Price on the Terms and Conditions set out in this Part VIII and in accordance with the Company's articles of association.
8. Each Placee's commitment will be made solely on the basis of the information set out in the draft admission document dated 28 November 2022 (the "**P-proof**"). By participating in the Placing, Placees will be deemed to have read and understood these Terms and Conditions and the P-proof in its entirety and to be participating and making an offer for the Placing Shares on these Terms and Conditions.
9. Except as required by law or regulation, no press release or announcement will be made by either the Broker or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
10. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under 'Registration and Settlement'.
11. All obligations of the Broker under the Placing will be subject to fulfilment or (where applicable) waiver of, *inter alia*, the conditions referred to below 'Conditions of the Placing' and to the Placing not being terminated on the basis referred to below under 'Right to terminate under the Placing Agreement'.
12. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
13. To the fullest extent permissible by law and the applicable rules of the FCA, neither the Broker nor the Company nor any of their affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these

terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and the Broker and its respective affiliates shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, neither the Broker nor the Company nor any of their respective affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Broker's conduct of the Placing.

### **Conditions of the Placing**

The Broker's obligations under the Placing Agreement in respect of, amongst other things, the Placing are conditional on, *inter alia*:

1. the Company and the Directors having complied with all of their respective obligations under the Placing Agreement to the extent that such obligations fall to be performed prior to Admission;
2. the Company, the Directors and Zefone Limited have duly entered into all documents necessary in order to give effect to the reorganisation envisaged by the Share Exchange Agreement; and
3. Admission having become effective by no later than 8.00 a.m. on 15 December 2022 or such later time being no later than the Long Stop Date, as the Company, SPARK and the Broker may agree.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not satisfied or (where applicable) waived; or (ii) does not otherwise become unconditional in all respects; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed, all funds delivered by the Placee to the Broker will be returned to the Placee at its own risk without interest, and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof. Any such extension or waiver granted by the Broker will not affect Placees' commitments as set out in this document.

Neither the Broker nor the Company nor any of their respective affiliates shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Broker. Placees will have no rights against the Broker, the Company or any of their respective members, directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended) or otherwise.

### **Right to terminate under the Placing Agreement**

SPARK and the Broker are entitled, in their absolute discretion, at any time before Admission, to terminate their respective obligations under the Placing Agreement by giving notice to the Company, if before Admission:

1. the Company or any of the Directors is in material breach of any of its/his obligations under the Placing Agreement; or
2. any warranty under the Placing Agreement is, or would be if repeated at any time up to Admission (by reference to the facts and circumstances then existing), untrue or inaccurate in any material respect or misleading; or
3. any statement in (*inter alia*) this document, the P-proof, and any supplementary admission document has become or been discovered to be untrue or inaccurate in any material respect or misleading; or
4. matters have arisen or have been discovered which would, if any of the above documents were to be issued at that time, constitute a material inaccuracy or omission therefrom; or
5. there shall have occurred, happened or come into effect:



- 5.1 any outbreak or escalation of hostilities, any attack or act of terrorism, any declaration of a national emergency or war and any other calamity or crisis of national or international effect; or
- 5.2 any adverse change or prospective change in national or international financial, monetary, economic, political or market conditions, or in exchange rates or exchange controls in the UK, United States or any member state of the EU; or
- 5.3 a declaration of a banking moratorium by the relevant authorities in the UK, United States or any member state of the EU; or
- 5.4 a suspension, material limitation or material disruption in trading of the Company's securities or of securities generally on the London Stock Exchange, the New York Stock Exchange or any other major financial market, or a material disruption in commercial banking, securities settlement or clearance services in the UK, United States or any member state of the EU,

which, in each case, in the opinion of SPARK or the Broker (as applicable) acting in good faith makes it impractical or inadvisable to proceed with the Placing.

If the Placing Agreement is terminated by either SPARK or the Broker prior to Admission then the Placing and Admission will not occur.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by the Broker of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Broker and that the Broker need not make any reference to Placees in this regard and that neither the Broker nor any of their respective affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

### ***No Prospectus***

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of a prospectus in the United Kingdom or any equivalent document in any other jurisdiction. No offering document or prospectus has been or will be submitted to be approved by the FCA or the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in this document (including the Terms and Conditions).

Each Placee, by accepting a participation in the Placing, agrees that the content of this document is exclusively the responsibility of the Company and the Directors and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or the Broker or any other person and neither the Broker, nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Broker, the Company or their respective officers, directors, employees or agents. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor the Broker are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this document to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### ***Registration and Settlement***

Settlement of transactions in the Placing Shares will, unless otherwise agreed, take place on a delivery versus payment basis within the CREST system administered by Euroclear UK & International Limited. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the Broker in accordance with the standing CREST settlement instructions which they have in place with the Broker.

Settlement of transactions in the Placing Shares (ISIN: GB00BMGNDN03) following Admission will take place within CREST provided that, subject to certain exceptions, the Broker reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this document or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement of the Placing Shares will be on 15 December 2022 unless otherwise notified by the Broker. Admission is expected to occur by 15 December 2022 or otherwise at such later time as may be agreed between the Company and the Broker, not being later than the Long Stop Date.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the official bank rate of the Bank of England in force from time to time as determined by the Broker.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Broker may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Broker's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due (chargeable daily on payments not received from Placees on the date due). The relevant Placee will, however, remain liable and shall indemnify the Broker on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the Broker such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Broker lawfully takes in pursuance of such sale. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that any form of confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither the Broker nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### ***Representations, Warranties and Further Terms***

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) will be deemed to irrevocably and unconditionally make the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and the Broker (for itself as broker and in its capacity as agent on behalf of the Company) in respect of such Placee (and any person acting on such Placee's behalf):

1. that it has read and understood this Admission Document, including the Terms and Conditions in this Part VIII, in its entirety and that its subscription for or purchase of Placing Shares is subject to and based solely upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this document and not in reliance on any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Company, the Placing or otherwise, other than the information contained in this Admission Document, and undertakes not to redistribute or duplicate this Admission Document;
2. that the content of this Admission Document is exclusively the responsibility of the Company and the Directors, and that neither the Broker, nor its respective affiliates or any person acting on behalf of any of it has or shall have any liability for any information, representation or statement contained in this Admission Document or any information previously or concurrently

published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Admission Document or otherwise;

3. that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Admission Document, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by the Broker, the Company or any of their respective directors, officers or employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the Research department of the Broker (the views of such Research department not representing and being independent from those of the Company and the Corporate Finance department of the Broker and not being attributable to the same)), and neither the Broker nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;
4. that it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither the Broker nor the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Admission Document; nor has it requested the Broker, the Company or any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information; nor is the Broker making any recommendation to it in relation to the Placing including as regards the suitability or merits of the transactions contemplated by the Placing;
5. that no offering document or prospectus has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing;
6. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
7. that it is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or the Broker or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;
8. that it has (and will at all relevant times have) full power and capacity to participate in the Placing, has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for and/or purchase the Placing Shares and to perform its subscription and/or purchase obligations;
9. that, where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Part VIII of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by the Broker;
10. that it has the funds available to pay in full for the Placing Shares for which it has agreed to subscribe and/or purchase and that it will pay the total amount due by it in accordance with the Terms and Conditions set out in this Part VIII and, as applicable, as set out in the Contract Note on the due time and date, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Broker may in its discretion determine and without liability to such Placee;

11. that the exercise by the Broker of any right or discretion under the Placing Agreement shall be within the absolute discretion of the Broker and the Broker need not have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the Broker or the Company, or any of their respective officers, directors or employees, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
12. that these Terms and Conditions represent the whole and only agreement between it, the Broker and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this document, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Each Placee agrees that neither the Company, nor the Broker nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
13. it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Broker or the Company;
14. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in the Prospectus Regulation and/or the EU Prospectus Regulation (as applicable), (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom or in any Member State of the European Economic Area which has implemented the EU Prospectus Regulation other than Qualified Investors or in circumstances in which the prior consent of the Broker has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom or in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation or the EU Prospectus Regulation (as applicable) as having been made to such persons;
15. that neither it nor, as the case may be, its clients expect the Broker to have any duties or responsibilities to such persons similar or comparable to the duties of 'best execution' and 'suitability' imposed by the FCA's Conduct of Business Source Book, and that the Broker is not acting for it or its clients, and that the Broker will not be responsible for providing the protections afforded to customers of the Broker or for providing advice in respect of the transactions described herein;
16. that it and the person(s), if any, for whose account or benefit it is subscribing for the Placing Shares is not subscribing for and/or purchasing Placing Shares as a result of any 'directed selling efforts' as defined in Regulation S under the Securities Act;
17. that it has not registered, nor does it intend to register, as an investment company under the US Investment Company Act of 1940 (as amended), in reliance on the exclusion provided by section 3(c)(7) thereof;
18. that it is not and was not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for and/or purchase Placing Shares was given and it is not acquiring Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and it will not reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;
19. that it is not a national or resident of the United States, Canada, Australia, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in the

United States, Canada, Australia, the Republic of South Africa or Japan or to or for the benefit of any person resident in the United States, Canada, Australia, the Republic of South Africa or Japan and each Placee acknowledges that the relevant exemptions are not being obtained from any competent authority within any such jurisdiction and that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in or into the United States, Canada, Australia, the Republic South Africa or Japan;

20. if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
21. that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
22. that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, any presentation or offering materials concerning the Placing or the Placing Shares to any persons within the United States;
23. that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the FPO; or (b) a person of a kind described in paragraph 2 (a) to (d) of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the FPO; or (c) a person to whom it is otherwise lawful for this document to be communicated and in the case of (a) and (b) undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
24. that it is a 'qualified investor' (as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended ("**FSMA**"));
25. that, unless otherwise agreed by the Broker, it is a 'professional client' or an 'eligible counterparty' within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
26. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
27. that any money held in an account with the Broker (or their nominees) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from the Broker's (or their nominees) money in accordance with such client money rules and will be used by the Broker in the course of its own business and each Placee will rank only as a general creditor of the Broker;
28. that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its ordinary shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;
29. that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;

30. that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for and/or purchasing under the Placing unless and until Admission of the relevant Placing Shares becomes effective;
31. that, by way of securing its obligations in connection with the Placing, it appoints irrevocably any director or authorised representative of the Broker as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;
32. that its allocation of Placing Shares (if any) will represent a maximum number of Placing Shares to which it will, subject to these Terms and Conditions, be entitled and required to subscribe for and purchase, and that the Broker or the Company may call upon it to subscribe for or purchase such lower number of Placing Shares as either of them may determine;
33. that it is not 'acting in concert' (within the meaning given in the UK Takeover Code) with any other person in relation to the Company;
34. that its participation in the Placing will not result in it having to make a mandatory offer under Rule 9 of the UK Takeover Code;
35. it is not a related party of the Company for the purposes of the AIM Rules as at the date of this document and is not subscribing or purchasing securities under the Placing via a broker or intermediary who is a related party of the Company;
36. that this document does not constitute a securities recommendation or financial product advice and that neither the Broker nor the Company has considered its particular objectives, financial situation and needs;
37. that it has sufficient knowledge, sophistication and experience in financial, business and investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;
38. that it will indemnify and hold the Company and the Broker and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) incurred or suffered by either of the Company and/or the Broker which arise out of or in connection with any breach by the Placee of the representations, warranties, acknowledgements, agreements and undertakings in this Part VIII and further agrees that the Company and the Broker will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall immediately notify the Broker and the Company in writing;
39. it acknowledges and agrees that all confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this document (including the Terms and Conditions set out in this Part VIII) are given to the Broker for itself and on behalf of the Company and will survive completion of the Placing and Admission;
40. that time shall be of the essence as regards obligations pursuant to the Terms and Conditions set out in this Part VIII;
41. that it is responsible for obtaining any legal, financial, tax and other advice necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or the Broker to provide any legal, financial, tax or other advice to it;
42. that all dates and times in this document (including the Terms and Conditions set out in this Part VIII) may be subject to amendment and that the Broker shall notify it of such amendments;
43. that (i) it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and the Market Abuse Regulation, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under all applicable legislation, including the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds

(Information on the Payer) Regulations 2017 and (iii) it is not a person: (a) with whom transactions are prohibited under the applicable law or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the US Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the “**Regulations**”); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Broker such evidence, if any, as to the identity or location or legal status of any person which the Broker may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Broker on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for and/ or purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Broker may decide in its absolute discretion;

44. that, from the point of Admission, the Company and its financial instruments will be subject to the provisions of the Market Abuse Regulation, and it will observe the provisions of the Market Abuse Regulation in relation to the Company’s financial instruments, including in relation to the control of any ‘inside information’;
45. that it has complied and will comply with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares;
46. that it will not make any offer to the public of those Placing Shares to be subscribed for and/or purchased within the meaning of section 85(1) of the FSMA or an offer to the public in any EEA member state within the meaning of the EU Prospectus Regulation;
47. that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;
48. that it acknowledges that these Terms and Conditions and any agreements entered into by it pursuant to these Terms and Conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Broker in any jurisdiction in which the relevant Placee is incorporated or in which its assets are located or any of its securities have a quotation on a recognised stock exchange;
49. that any documents sent to a Placee will be sent at the relevant Placee’s risk, and any such document may be sent by post to such Placee at any address notified to the Broker;
50. that the Broker owes no fiduciary or other duty to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
51. SPARK, the Broker and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;

52. any of the Placee's clients, whether or not identified to the Broker, will remain its sole responsibility and will not become clients of the Broker for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision; and
53. that the Broker or any of their affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

The Company, the Broker and their respective affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Company and the Broker for itself and on behalf of the Company and are irrevocable.

This document has been issued by, and is the sole responsibility, of the Company and the Directors. No representation or warranty expressed or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted the Broker or by any of their respective affiliates or agents as to or in relation to, the accuracy or completeness of this document or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

All times and dates in this Part VIII may be subject to amendment. The Broker shall notify the Placees and any person acting on behalf of the Placees of any changes.

The provisions of this Part VIII may be waived, varied or modified as regards any specific Placee or on a general basis by the Broker, but no such waiver, variation or modification shall prejudice the remaining rights of the Broker in respect of these Terms and Conditions.

The agreement to settle a Placee's subscription and/or purchase (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Broker will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Broker in the event that any of the Company and/or the Broker has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Broker accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription or purchase by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

### ***Miscellaneous***

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally his or her nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified by such Placee to the Broker.

In the case of a joint agreement to subscribe for and/or acquire Placing Shares under the Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Broker and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and to the Placing Agreement not having been terminated.



## Definitions

Except where the context otherwise requires, the following definitions shall apply throughout this Admission Document

<b>Act or the Companies Act</b>	Companies Act 2006, as amended;
<b>Admission</b>	admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
<b>Admission Document</b>	this document;
<b>Adjusted Enlarged Issued Share Capital</b>	the Enlarged Issued Share Capital, excluding the EBT Shares;
<b>AIM</b>	the market of that name operated by the London Stock Exchange;
<b>AIM Rules</b>	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time, and references to a particular “ <b>AIM Rule</b> ” shall be construed accordingly;
<b>AIM Rules for Nominated Advisers</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time;
<b>Articles</b>	the articles of association of the Company as adopted from time to time;
<b>ATL</b>	Amplified Technologies Limited, an investing company wholly owned by Ronan Murphy and incorporated in Ireland with company registration number 610635 and whose registered office address is at Unit 17a, 4700 Cork Airport Business Park Cork, Ireland;
<b>Board</b>	the directors of the Company from time to time;
<b>Business Day</b>	a day (other than Saturday, Sunday or a public holiday), on which clearing banks in the City of London are generally open for business;
<b>certificated or in certificated form</b>	a share or other security not recorded on the relevant register of the relevant company as being in uncertificated form in CREST;
<b>Code</b>	The Code on Takeovers and Mergers (as amended);
<b>the Company</b>	Smarttech247 Group plc, a company incorporated and registered in England and Wales, with registered number 14385467, whose registered office is at 165 Fleet Street, London, United Kingdom, EC4A 2DY;
<b>CLN Holders</b>	the holders of the Convertible Loan Notes, being each of RiverFort Global Opportunities PLC, RiverFort Global Opportunities PCC Limited and Suir Valley Funds ICAV (acting solely in respect of its sub-fund, Sure Valley Ventures);
<b>CLN Shares</b>	the 13,646,441 New Ordinary Shares to be allotted and issued to the holders of the Convertible Loan Notes immediately prior to Admission;
<b>Concert Party</b>	ATL and Plumtree Capital;
<b>Contract Note</b>	the trade confirmation to be sent to each Placee stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to the Broker (as agent for the Company) and settlement instructions;
<b>Convertible Loan Notes</b>	the convertible secured loan notes issued by Smarttech247, to be novated to the Company pursuant to the Deed of Novation immediately prior to Admission;

<b>CREST</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time (including by means of the Uncertificated Securities (Amendment and EU Exit) Regulations 2019 (SI 2019/679));
<b>DACH</b>	D — Deutschland, A — Austria, and CH — Confœderatio Helvetica (Switzerland’s official name in Latin);
<b>Deed of Novation</b>	the deed of novation entered into on 18 November 2022 between the Company, the CLN Holders and Smarttech247 in connection with the Convertible Loan Notes, details of which are included at paragraph 14(vi) of Part VII of this Admission Document (Additional Information);
<b>Directors</b>	the directors of the Company listed at page 8 of this Admission Document;
<b>Disclosure Guidance and Transparency Rules</b>	the Disclosure Guidance and Transparency Rules sourcebook made by the FCA pursuant to Part VI of the Listing Rules made by the FCA under FSMA;
<b>DTR 5</b>	Chapter 5 of the Disclosure Guidance and Transparency Rules;
<b>EBT</b>	the Smarttech247 Group Employee Benefit Trust, established by execution of a deed between the Company and Ocorian Trustees (Jersey) Limited, dated 25 November 2022, further details of which are set out in paragraph 15 of Part VII of this Admission Document;
<b>EBT Shares</b>	the 10,546,713 Ordinary Shares to be allotted and issued prior to Admission to the EBT;
<b>Enlarged Issued Share Capital</b>	the issued share capital of the Company as upon Admission comprising the Existing Ordinary Shares and the New Ordinary Shares;
<b>EU</b>	the European Union;
<b>Euroclear</b>	Euroclear UK & International Limited, the operator of CREST;
<b>Existing Ordinary Shares</b>	the 87,500,000 Ordinary Shares in issue as at the date of this Admission Document;
<b>FCA</b>	the Financial Conduct Authority;
<b>FPO</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto;
<b>Group</b>	the Company including its subsidiary undertakings;
<b>HMRC</b>	HM Revenue and Customs;
<b>IFRS</b>	international financial reporting standards;
<b>Independent Shareholders</b>	means Shareholders who are not members of the Concert Party
<b>ISIN</b>	international security identification number;
<b>LEI code</b>	legal entity identifier code;
<b>Lock-in and Orderly Market Agreement</b>	the lock in and orderly marketing agreement dated 30 November 2022 and made between the Company, SPARK

	and certain Shareholders, details of which are set out in paragraph 14(ii) of Part VII of this Admission Document;
<b>Locked-in Shareholders</b>	each of Ronan Murphy and ATL;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Long Stop Date</b>	5.00 p.m. on 6 January 2023;
<b>LTIP or Long Term Incentive Plan</b>	the long term incentive plan adopted by the Company as summarised in paragraph 14(ix) of Part VII of this Admission Document;
<b>Market Abuse Regulation</b>	the retained EU law version of Regulation (EU) No. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended);
<b>New Ordinary Shares</b>	the new Ordinary Shares of £0.01 each, comprising the CLN Shares, the Placing Shares and the EBT Shares, and “ <b>New Ordinary Share</b> ” shall mean any of them;
<b>Nominated Adviser Agreement</b>	the agreement dated 30 November 2022 between (1) the Company and (2) SPARK, further details of which are set out in paragraph 14(iv) of Part VII of this Admission Document;
<b>Official List</b>	Official List of the FCA;
<b>Options</b>	the options in respect of Ordinary Shares to be granted by the Company with effect from Admission, particulars of which are set out in paragraph 15 of Part VII of this Admission Document, and “ <b>Option</b> ” shall mean any of them;
<b>Ordinary Shares</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>Placees</b>	proposed subscribers for Placing Shares at the Placing Price in the Placing;
<b>Placing</b>	the proposed conditional placing by Shard, as agent for the Company, of the Placing Shares at the Placing Price with Placees pursuant to the Placing Agreement;
<b>Placing Agreement</b>	the conditional agreement dated 30 November 2022 between (1) the Company; (2) SPARK; (3) Shard; and (4) the Directors relating to the Placing, further details of which are set out in paragraph 14(iii) of Part VII ( <i>Additional Information</i> ) of this Admission Document;
<b>Placing Price</b>	29.66 pence per Placing Share;
<b>Placing Shares</b>	the 12,385,828 New Ordinary Shares to be issued pursuant to the Placing;
<b>PLN</b>	Polish Zloty, the lawful currency of Poland;
<b>Plumtree Capital</b>	Plumtree Capital Limited, a FCA registered private limited company which acts as trustee for ATL in respect of 12,125,437 Ordinary Shares and is incorporated and registered in England and Wales with company number 7337037, whose registered office is at Langley House, Park Road, London N2 8EY;
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the EU (Withdrawal Act) 2018, as amended;
<b>Prospectus Regulation Rules</b>	the Prospectus Rules of the FCA made in accordance with the Prospectus Regulation;
<b>QCA Code</b>	the Corporate Governance Code for Small and Mid-Size Quoted Companies, as published by the Quoted Companies Alliance;

<b>RA Shareholders</b>	Ronan Murphy and ATL;
<b>RCG</b>	Riverfort Global Capital Limited, a company incorporated in England and Wales with registered number 10115457 and with its registered office at Office 9, Dalton House, 60 Windsor Avenue, London, United Kingdom, SW19 2RR;
<b>Registrar</b>	Neville Registrars Limited of Neville House, Steelpark Road, Halesowen, B62 8HD;
<b>Relationship Agreement</b>	the agreement dated 30 November 2022 between (1) the Company; (2) the RA Shareholders; and (3) SPARK (further details of which are set out in paragraph 14(v) of Part VII ( <i>Additional Information</i> ) of this Admission Document;
<b>RIS</b>	Regulatory Information Service;
<b>SCS</b>	Smarttech247 Cyber Security SRL, a wholly-owned subsidiary of Smarttech with registered number J40/16343/2018 and whose registered office address is at București Sectorul 1, B-dul IANCU DE HUNEDOARA, Nr. 54B, Avantgarde Office Building, Etaj 2, Romania
<b>SEDOL</b>	the Stock Exchange Daily Official List Identification Number;
<b>Share Exchange Agreement</b>	the share for share exchange agreement dated 18 November 2022 and made between the Company and ATL, details of which are set out in paragraph 14(i) of Part VII of this Admission Document;
<b>Shareholders</b>	holders of Ordinary Shares in the Company from time to time and Shareholder means any one of them;
<b>Shard or Broker</b>	Shard Capital Partners LLP, a limited liability partnership incorporated and registered in England and Wales, with number OC 360 394, whose registered office is at Suite 303, Floor 3, 70 St Mary Axe, London, EC3A 8BE, being the Company's broker;
<b>Smarttech247</b>	the trading name of Zefone;
<b>SPARK</b>	SPARK Advisory Partners Limited, a company incorporated in England and Wales with registered number 03191370 and with its registered office at 5 St. John's Lane, London, EC1M 4BH, being the Company's nominated adviser;
<b>Takeover Panel</b>	the UK Panel on Takeovers and Mergers;
<b>uncertificated or in uncertificated form</b>	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>USA or US or United States</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>VAT</b>	value added tax; and
<b>Warrant Instrument</b>	the warrant instrument constituted by the Company on 30 November 2022 pursuant to which the Company may issue warrants over up to 863,116 Ordinary Shares;
<b>Warrants</b>	the warrants to be issued by the Company pursuant to the Warrant Instrument;

**Zefone Limited** or **Zefone**

Zefone Limited, a company incorporated and registered in the Republic of Ireland, with registered number IE372093, whose registered office is at Unit 17a, Ground Floor, 4700 Avenue 4000, Cork Airport Business Park, Co. Cork; and

**£** or **pence** or **p**

pounds sterling and pence, the lawful currency of the United Kingdom.

## Glossary of Key Industry Terms

<b>AI</b>	Artificial Intelligence;
<b>APIs</b>	application programming interface;
<b>As-a-Service benefits</b>	Advantages of Software as a Service Technology;
<b>BAU</b>	Business as Usual;
<b>Big Data</b>	Big data means data sets that are too large or complex to be dealt with by traditional data-processing application software;
<b>IoT</b>	Internet of Things;
<b>IP</b>	internet protocol;
<b>ISO9001</b>	international standard that specifies requirements for a quality management system (QMS);
<b>ISO27001</b>	international standard that defines the requirements of an information security management system (ISMS);
<b>MDR</b>	managed detection and response;
<b>NSAI</b>	National Standards Authority of Ireland;
<b>SOCs</b>	Security Operations Centres;
<b>Threat and Vulnerability software</b>	Software that finds vulnerabilities in computer systems;
<b>Threat Modelling</b>	system to identify the types of threat agents that cause harm to an application or computer system; and
<b>URL</b>	the address of a web page (Uniform Resource Locator).

