

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, as amended ("FSMA") who specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser who specialises in advising on acquisitions of shares and other securities. The whole text of this document should be read. Investment in the Company is speculative and involves a high degree of risk.**

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies (the "AIM Rules"), has been issued in connection with the proposed application for admission of the entire issued and to be issued share capital of Alteration Earth PLC (to be renamed *PriOr1ty Intelligence Group PLC* following Admission) (the "Company") to trading on AIM, a market operated by London Stock Exchange plc ("AIM"). This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the Financial Conduct Authority (the "FCA") in accordance with the Prospectus Regulation Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the EU Prospectus Regulation.

The Company, the Existing Directors and the Proposed Directors (whose names appear on page 20 of this document) accept responsibility individually and collectively for the information contained in this document including individual and collective responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge of the Company and each of the Existing Directors and the Proposed Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Company and the Existing Directors and Proposed Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as is contained herein.

Application has been made for all of the issued and to be issued Ordinary Shares to be admitted to trading on AIM. It is emphasised that no application will be made for admission of the Ordinary Shares to the Official List. The Ordinary Shares are not traded on any recognised investment exchange and no application has been or is intended to be made for the Ordinary Shares to be admitted to trading on any such market. It is expected that Admission will become effective and that dealings in the Ordinary Shares on AIM will commence at 8.00 a.m. on 30 December 2024. The New Shares will, on Admission, rank *pari passu* in all respects with the other Ordinary Shares then in issue and will also rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

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

**The attention of investors is drawn to the risk factors set out in Part II of this document. Notwithstanding this, prospective investors should read the whole text of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.**

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## Alteration Earth PLC

*(to be renamed **PriOr1ty Intelligence Group PLC**  
following Admission)*



*(Incorporated in England and Wales under the Companies Act 2006 with registration number 13571750)*

**Acquisition of PriOr1ty AI Ltd**

**Placing and Subscription for £855,000**

**Issue of 72,000,000 Consideration Shares**

**Admission of the Enlarged Share Capital to trading on AIM**

*Nominated Adviser*



Beaumont Cornish Limited

*Broker*



Allenby Capital Limited

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### Enlarged Share Capital immediately following Admission

<i>Number</i>	<i>Issued and fully paid</i>	<i>Amount £</i>
96,333,329	Ordinary Shares of £0.003 each	289,000

Beaumont Cornish Limited ("BCL"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as nominated adviser in connection with the Placing and Admission. BCL is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of BCL, or for advising any other person in connection with the Placing or Admission. The responsibility of BCL, as the Company's nominated adviser, is owed solely to the London Stock Exchange and is not owed to the Company or the Existing Directors or the Proposed Directors or any other person. No representation or warranty, express or implied, is made by BCL or any of its directors, officers, partners, employees, agents or advisers as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by BCL or any of its directors, officers, partners, employees, agents or advisers for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

Allenby Capital Limited ("Allenby Capital"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as broker in connection with the Placing and Admission. Allenby Capital is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Allenby Capital, or for advising any other person in connection with the Placing or Admission. No representation or warranty, express or implied, is made by Allenby Capital or any of its directors, officers, partners, employees, agents or advisers as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Allenby Capital or any of its directors, officers, partners, employees, agents or advisers for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

The distribution of this document or any copy of it in certain jurisdictions may be restricted by law and such distribution could result in a violation of the laws of such jurisdictions. In particular, there are restrictions on the distribution of this document in the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa or any other state or jurisdiction in which such publication, release or distribution would be unlawful (each a "Prohibited Territory"). Persons into whose possession this document comes are required to inform themselves about, and to observe, any restrictions and legal requirements in relation to the distribution of this document and their participation in the proposals described in this document.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States or under the securities laws of any other Prohibited Territory; or any state, province or territory thereof or any other jurisdiction outside the United Kingdom. Neither the U.S. Securities and Exchange Commission nor any US state regulatory authority has approved the Ordinary Shares to be offered or the terms of such offering or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered or sold, resold, hypothecated, assigned, transferred, delivered or distributed, directly or indirectly, within, into or from any Prohibited Territory or to or for the account or benefit of any national, resident or citizen of any Prohibited Territory except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to which it is unlawful to make such offer or solicitation in such jurisdiction. Without limiting the generality of the foregoing, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States, or who is otherwise a "U.S. Person" as defined in Regulation S under the US Securities Act. There will be no public offer of Ordinary Shares in the United States or any other Prohibited Territory. Outside of the United States, the Ordinary Shares are being offered in reliance on Regulation S promulgated under the US Securities Act. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States or any of its territories or possessions unless in accordance with applicable law. Further, this document should not be published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, and in particular, should not be distributed to persons with addresses in, any Prohibited Territory. No action has been taken by the Company, the Nominated Adviser or the Broker that would permit an offer of any Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law or other laws of any such jurisdictions.

Neither the Company nor any of the Existing Directors or the Proposed Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase Ordinary Shares.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website: <https://www.altearthplc.com/> (to be [www.pri0r1ty.com](http://www.pri0r1ty.com) following Admission).

## **IMPORTANT INFORMATION**

### **General**

Investors should take independent advice and should carefully consider the section of this document headed “Risk Factors” before making any decision to purchase Ordinary Shares.

An investment in the Ordinary Shares will involve significant risks and should be viewed as a long-term investment. The Ordinary Shares may not be suitable for all recipients or be appropriate for their personal circumstances. You should carefully consider in light of your financial resources whether investing in the Company is suitable for you. An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise (which may be equal to the whole amount invested).

Without prejudice to the Company’s obligations under the AIM Rules, neither the delivery of this document nor any offer or acquisition of Ordinary Shares made under this 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 document or that the information contained herein is correct as at any time subsequent to its date. Prospective investors in the Company must not treat the contents of this document or any subsequent communications from the Company, BCL and Allenby Capital or any of their respective affiliates, officers, directors, employees, representatives, advisers or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters. As required by the AIM Rules, the Company will update the information provided in this document, by means of a supplement to it, if a significant new factor that may affect the evaluation of the Fundraising by prospective investors occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document, and any supplement thereto, will be made public in accordance with the AIM Rules for Companies. This document is not intended to provide the basis for any credit or other evaluation, and should not be considered as a recommendation, by the Company, the Existing Directors, the Proposed Directors, BCL and/or Allenby Capital or any of their respective affiliates or representatives, that any recipient of this document should purchase any of the Ordinary Shares. Any decision to purchase Ordinary Shares in the Fundraising (but not otherwise) should be based solely on this document and the prospective investor’s own (or such prospective investor’s FSMA-authorized or other appropriate advisers’) examination of the Company. Investors who purchase Ordinary Shares in the Fundraising will be deemed to have acknowledged that: (i) they have not relied for their investment decision on BCL or Allenby Capital or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document; (ii) they have relied only on the information contained in this document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Existing Directors, the Proposed Directors, BCL or Allenby Capital.

BCL has been appointed as nominated adviser to the Company. In accordance with the AIM Rules, BCL has confirmed to the London Stock Exchange that it has satisfied itself that the Existing Directors and the Proposed Directors have received such advice and guidance as to the nature of their responsibilities and obligations as is necessary to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with. No liability whatsoever is accepted by BCL for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

### **No Prospectus**

This admission document is not a prospectus for the purposes of the EU Prospectus Regulation or the UK Prospectus Regulation. This admission document has been prepared on the basis that all offers of the Fundraising Shares will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the “UK Prospectus Regulation”) from the requirement to produce a prospectus. Accordingly, any person making or intending to make any offer within the United Kingdom or the EEA of Fundraising Shares which is the subject of the offering contemplated in this admission document should only do so in circumstances in which no obligation arises for the Company, BCL or Allenby Capital to produce a prospectus for such offer.

Neither the Company, BCL nor Allenby Capital has authorised, nor will any of them authorise, the making of any offer of the Fundraising Shares.

### **Notice to prospective investors in the United Kingdom**

This document does not constitute an offer to the public in the United Kingdom. For these purposes, the expression “**an offer to the public**” in relation to any offer of Ordinary Shares in the United Kingdom means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares.

This document is being distributed in the United Kingdom to, and is directed only at, (i) persons in the United Kingdom having professional experience in matters relating to investments i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**FPO**”); (ii) high net worth entities in the United Kingdom falling within Article 49 of the FPO; and (iii) persons in the United Kingdom to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by a competent regulator (each a “**relevant person**”). The investment or investment activity to which this document relates is available only to relevant persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other person and in any event, under no circumstances should persons who are not relevant persons rely on or act upon the contents of this document.

### **Notice to prospective investors in the EEA**

In relation to each member state of the EU (each, a “**Member State**”), no Ordinary Shares have been offered or will be offered to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the EU Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the EU Prospectus Regulation:

- (1) to any legal entity which is a “**qualified investor**” as defined in the EU Prospectus Regulation; and/or
- (2) to fewer than 150 natural or legal persons (other than a qualified investor as defined in the EU Prospectus Regulation) in such Member State; and/or
- (3) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the EU Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the EU Prospectus Regulation.

Neither the Company, BCL nor Allenby Capital has authorised, nor does any of them authorise, the making of any offer of Ordinary Shares in circumstances in which an obligation arises for the Company, BCL and/or Allenby Capital to publish a prospectus or a supplemental prospectus in respect of such offer.

For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase those Ordinary Shares, and the expression “EU Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

### **Notice to US Investors**

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or any US state securities laws. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act) (“**Regulation S**”) unless the Ordinary Shares are registered under the US Securities Act or an exemption

from the registration requirements of the US Securities Act is available. The Company has not registered and will not register under the United States Investment Company Act of 1940, as amended.

The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any US state securities commission or any other regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this document. Any representation to the contrary is unlawful. The Ordinary Shares will be offered and sold outside the United States to non-US persons (as defined in and pursuant to the requirements of Regulation S).

#### **Notice to prospective investors overseas**

This document does not constitute an offer to sell or issue, or the solicitation of an offer to subscribe for or buy, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa. The Ordinary Shares have not been and will not be registered under the US Securities Act nor under the applicable securities laws of any state of the United States, or any province or territory of Australia, Canada, Japan, New Zealand or the Republic of South Africa nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not be offered or sold directly or indirectly in or into or from the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any resident of the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa. The distribution of this document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

#### **Notice to distributors**

Solely for the purposes of the product governance requirements contained within Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (the “**Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in COBS 3.5 and 3.6 of the FCA’s Conduct of Business Sourcebook, respectively; and (ii) eligible for distribution through all distribution channels as are permitted by the Product Governance Requirements (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Allenby Capital will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA’s Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Ordinary Shares.

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



## **Data protection**

The information that a prospective investor provides in any documents relating to a purchase of Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“personal data”) will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom and the Company’s privacy notice, a copy of which is available for consultation at the Company’s website at <https://www.altearthplc.com/> (the “Privacy Notice”). Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (1) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (2) carrying out the business of the Company and the administering of interests in the Company; and
- (3) meeting the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales and elsewhere (as required).

Where necessary to fulfil the purposes set out above and in the Privacy Notice, the Company (or any third party, functionary or agent appointed by the Company) will:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the United Kingdom to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data, it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

## **Forward looking statements**

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. These statements are primarily contained in Part I of this document and include, but are not limited to, statements regarding intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry in which the Company operates.

Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to materially differ from those described in this document. Should one or more of these risks or uncertainties materialise, or should assumptions underlying forward-looking statements prove incorrect, actual results may differ materially from those described in this document as “intended”, “planned”, “anticipated”, “believed”, “proposed”, “estimated” or “expected”.

## **European Union Legislation**

If and when a European Union instrument is incorporated into the law of the United Kingdom, a reference to that European Union instrument in this document shall, except where the context requires otherwise, mean the European Union instrument as so incorporated and any enactment, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces or consolidates it for the purposes of the law of the United Kingdom.

## **Governing Law**

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

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

## **Presentation of financial information**

The historical financial information incorporated by reference in this document comprises the historical financial information of the Company for the period since incorporation to 31 March 2024, which is set out in Part III (A) of this document, and the unaudited historical financial information of PAI for the period from incorporation to 30 June 2024, which are set out in Part III(C) of this document, have been prepared in accordance with IFRS.

## **Rounding**

The financial information and certain other figures in this document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this document reflect calculations based on 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 on the rounded numbers.

## **Currency presentation**

All references in this document to “**Sterling**”, “**Pounds Sterling**”, “**£**” and “**pence**” are to the lawful currency of the UK, all references in this document to “**Euros**” and “**€**” are to the lawful currency of the participating member states of the Eurozone and all references in this document to “**US\$**” are to the lawful currency of the United States.

## **No incorporation of website information**

The contents of the Company’s website at <https://www.altearthplc.com/> (and from Admission will be [www.pri0r1ty.com](http://www.pri0r1ty.com)) or any hyperlinks accessible from them do not form part of this document and investors should not rely on them.

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## DEFINITIONS

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

Admission	admission of the Enlarged Share Capital of the Company to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
Acquisition	the proposed acquisition by the Company of the entire issued share capital of PAI and the Founder Warrants by the Company as detailed in section 17 of Part I of this Document and paragraphs 12.11 and 12.12 of Part VI of this Document;
AI Act	the EU Artificial Intelligence Act (Regulation (EU) 2024/1689);
AIM	AIM, the market of that name operated by the London Stock Exchange;
AIM Rules	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
AIM Rules for Companies	the AIM Rules for Companies issued by the London Stock Exchange governing admission to, and the operation of companies listed on AIM, as amended or re-issued from time to time;
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers issued by the London Stock Exchange setting out the eligibility, ongoing responsibilities and certain disciplinary matters in relation to nominated advisers, as amended or re-issued from time to time;
AIM Rule 7 Locked-In Shareholders	those Shareholders on Admission who will be subject to the lock-ins for new businesses provisions set out in Rule 7 of the AIM Rules for Companies, being the Directors and any of their Associates, Primorus Investments, Equities Exchange Limited, Orana Corporate LLP and Sport Media Ventures Ltd as set out in the Rule 7 Lock-In Agreement, further details of which are set out in paragraph 12.13 of Part VI of this Document;
ALTE Directors or Existing Directors	the Directors of Alteration Earth Plc on publication of this Document, namely: Matthew Beardmore (non-executive director) and Martin Samworth (non-executive director)
Articles of Association or Articles	the articles of association of the Company, a summary of which is set out in paragraph 6 of Part VI of this Document;
Associate(s)	has the same meaning contained in the AIM Rules for Companies;
Beaumont Cornish or BCL or Nominated Adviser	Beaumont Cornish Limited, a company incorporated in England and Wales with registered number 03311393 and having its registered office at RSM, Ninth Floor Landmark, St Peter's Square, 1 Oxford Street, Manchester, United Kingdom, M1 4PB in its capacity as nominated adviser to the Company for the purposes of the AIM Rules;
BCL Warrants	the Warrants to be granted by the Company and issued to BCL on the terms set out in the BCL warrants instrument referred to in paragraph 12.14 of Part VI of this Document;

Broker or Allenby Capital	Allenby Capital Limited, a company incorporated in England on 24 September 2008, with Company number 06706681;
Business Day	a day (other than a Saturday or a Sunday) on which banks are open for business in London;
CA 2006 or Companies Act	the Companies Act 2006, as amended;
Certificated	in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);
Chairman	the chairman of the Board from time to time, as the context requires;
Company or ALTE or Alteration Earth Plc (to be renamed <i>PriOr1ty Intelligence Group PLC</i> following Admission)	Alteration Earth Plc, a company incorporated in England on 18 August 2021, with Company number 15241564;
Completion	completion of the Acquisition, the Placing, the Subscription, the issue of the Consideration Shares and Admission;
Concert Party	as defined under the Takeover Code;
Consideration Shares	the 72,000,000 Ordinary Shares to be issued to the PAI Shareholders as consideration for the Acquisition at £0.135 per PAI Share;
Consideration Warrants	the 6,723,940 Warrants to be granted by the Company to the Founder PAI Shareholders pursuant to the terms of the SPA and the terms of the warrant instrument referred to in paragraph 12.12 of Part VI of this Document;
CREST or CREST System	the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
CREST Manual	means the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CSS Operations Manual and the CREST Glossary of Terms;
CREST Regulations	means The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
Director Warrants	the 900,000 Warrants granted by the Company to the Existing Directors pursuant to the terms set out in the warrant instrument referred to in paragraph 12.1 of Part VI of this Document;
Directors or Proposed Directors or Board or Board of Directors	means the directors of the Company on Admission, whose names appear in Part I of this Document, or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;

Directorships	means positions the Directors hold or have previously held, in addition to the Company, at other organisations, as members of the administrative, management or supervisory bodies of those organisations at any time in the five years prior to the date of this Document;
Document or this Document	means this document;
EEA	means the European Economic Area;
EEA States	means the member states of the European Union and the European Economic Area, each an “EEA State”;
Enlarged Group or Group	the Company as enlarged by the Acquisition, which will include its wholly-owned subsidiary PAI, and PAI’s wholly-owned subsidiaries PriOr1ty Holdings Ltd (company number: 15217791) and PriOr1ty Ltd (company number 15274875);
Enlarged Share Capital	means 96,333,329 Shares, being the Existing Shares and the New Shares;
EU	means the European Union;
EU Market Abuse Regulation	means Regulation (EU) No 596 2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
Euroclear	means Euroclear UK & International Limited;
Exchange Act	means the US Securities Exchange Act of 1934, as amended;
Exercise Condition	an embedded condition of Consideration Warrants, that the Founder Concert Party can at no time exercise any Consideration Warrants where it would push their combined shareholding of the Founder Concert Party over the Maximum Interest;
Existing Shares	means the 18,000,000 Shares in issue prior to the Acquisition and Fundraising, as at the date of this Document;
FCA	means the UK Financial Conduct Authority;
Founder Concert Party	being Daniel Gee, Equities Exchange Limited, Sport Media Ventures Limited and Nicholas Josh;
Founder PAI Shareholders or Founder Shareholders	means Daniel Gee, The Equities Exchange Limited, Sebastian Marr, William Holiday, Steven Xerri, Wayne Gibson, DWS Solutions Ltd, Nicholas Josh, First Sentinel Corporate Finance Ltd, Steven Bennett and Orana Corporate LLP;
Founder Warrants	means the 20,000,000 warrants granted by PAI and issued to the Founder PAI Shareholders on the terms set out in the founder warrant instrument referred to in paragraph 12.18 of Part IV of this Document;
Founder Warrant Surrender Deeds	the deeds of surrender entered into between each Founder PAI Shareholder and PAI further details of which are set out in paragraph 12.19 of Part VI of this Document;
FSMA	means the Financial Services and Markets Act 2000 (as amended from time-to-time);
Fundraise or Fundraising	means the Placing and Subscription;

Fundraising Shares	means Placing Shares and Subscription Shares;
Fully Diluted Share Capital	means the Enlarged Share Capital plus the Ordinary Shares to be issued on exercise of all Warrants;
General Meeting	the general meeting of the Company held on 13 December 2024 at 10.00 a.m.
IFRS	means International Financial Reporting Standards as adopted by the UK;
Independent Directors	means those Directors of the Board from time to time considered by the Board to be independent for the purposes of the QCA Code (or any other appropriate corporate governance regime complied with by the Company from time to time);
IPO	initial public offering of shares;
Issue Price	means £0.135 pence per New Share;
Latest Practicable Date	means 19 December 2024, being the latest practicable date prior to publication of this Document;
Lock-In and OM Agreements	means the lock-in and orderly market agreements between the Locked-In Shareholders, the Company, Beaumont Cornish and Allenby Capital as further described in paragraph 12.15 of Part VI of this Document;
Lock-in Period	a period of 12 months from Admission;
Locked-In Shareholders	the PAI Shareholders excluding the AIM Rule 7 Locked-In Shareholders, Alan Mcleish, John Cowley and Peel Hunt who have agreed to certain lock-in arrangements, as detailed in paragraph 12.15 of Part VI of this Document;
Main Market Admission	the admission of ALTE to the Standard Segment of the Main Market which occurred on 1 July 2022;
Maximum Interest	meaning the maximum shareholding that the Founder Concert Party can have, being 29.9 per cent. at any moment in time;
Net Proceeds	means the funds received from Fundraising less any expenses paid or payable in connection with the Acquisition, Fundraising and Admission;
New Shares	means the Consideration Shares, the Placing Shares and the Subscription Shares;
Ordinary Shares	means the Existing Shares and New Shares each in the capital of the Company at £0.003 par value each
PAI or PriOr1ty	PriOr1ty AI Ltd, company number 15241564 and incorporated on 27 October 2023;
PAI Shareholders	the Shareholders in PAI as at the date of this Document;
PAI Shares	the 214,160,242 ordinary shares of £0.001 each in the capital of PAI (being the entire issued share capital of PAI);

Placees	means the proposed subscribers for the Placing Shares and Subscription Shares at the Issue Price pursuant to the Placing;
Placing	means the conditional placing of the Placing Shares at the Issue Price by the Broker, as agent for the Company, pursuant to the terms of the Placing Agreement;
Placing Agreement	the placing agreement dated 20 December 2024 between, <i>inter alia</i> , the Company, the Directors, BCL and Allenby Capital as detailed in paragraph 12.9 of Part VI of this Document;
Placing Shares	means the 5,185,182 Ordinary Shares to be purchased by Placees pursuant to the Placing;
Pounds Sterling or £	means British pounds sterling, the lawful currency of the UK;
Primorus Investments	Primorus Investments Plc, company number 03740688 incorporated on 24 March 1999;
Primorus Warrants	the 1,800,000 Warrants granted by the Company to Primorus Investments pursuant to the terms set out in the warrant instrument referred to in paragraph 12.3 of Part VI of this Document;
Proposals	means: (i) the Acquisition; (ii) the Fundraising; and (iii) the issue of the New Shares;
Proposed Directors	James Sheehan, Daniel Maling, Philip Adler and Karen Lewis-Hollis who are to be appointed as directors of the Company on Admission;
Prospectus Regulation	means prospectus regulation (EU) 2017/1129 and includes any relevant implementing measures in each EEA State that has implemented the regulation;
Prospectus Regulation Rules or PRR	means the prospectus regulation rules of the FCA made pursuant to Section 73A of FSMA, as amended from time to time;
QCA Code	the Corporate Governance Code for Small and Mid-sized Quoted Companies revised and published in 2023 by the Quoted Companies Alliance.
Registrar	means Share Registrars Limited or any other registrar appointed by the Company from time to time;
Registrar Agreement	means the registrar agreement between the Company and the Registrar, details of which are set out in paragraph 12.8 of this Document;
Regulations	means the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2003, or applicable legislation in any other jurisdiction in connection with money laundering and/or terrorist financing;
Relationship Agreement	Relationship Agreement the relationship agreement entered into between the Company, Daniel Gee, The Equities Exchange Limited and Sport Media Ventures Ltd and Beaumont Cornish, as summarised in paragraph 12.2 of Part VI of this Document;

Rule 7 Lock-In Agreement	the lock-in and orderly market agreements entered into by each of the AIM Rule 7 Locked-In Shareholders, the Company, Beaumont Cornish and Allenby Capital, details of which are set out in paragraph 12.13 of Part VI of this Document;
Securities Act	means the US Securities Act of 1933, as amended;
Shares or Ordinary Shares	means the ordinary shares each of £0.003 par value in the capital of the Company including, if the context requires, the New Shares;
Shareholders	means the holders of the Existing Shares and/or New Shares, as the context requires;
SMEs	small and medium sized enterprises;
SPA or Share Purchase Agreement	the conditional share purchase agreement dated 20 December 2024 made between the Company and the PAI Shareholders setting out the terms and conditions on which the Acquisition will be consummated, details of which are set out in paragraph 12.11 of Part VI of this Document;
Subscribers	the subscribers for Subscription Shares at the Issue Price pursuant to the Subscription;
Subscription	means the direct subscription by Subscribers for Subscription Shares;
Subscription Agreement	the subscription agreements between the Company and each Subscriber regarding the Subscription, details of which are set out in paragraph 12.10 of Part VI of this Document;
Subscription Shares	the 1,148,147 Ordinary Shares to be subscribed for pursuant to the Subscription;
Takeover Code	means the City Code on Takeovers and Mergers, published by the Takeover Panel;
UK MAR	means the Regulation 2014/596/EU, which is part of UK domestic law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310);
Uncertificated	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland;
United States or US	has the meaning given to the term “United States” in Regulation
US Dollar	means the lawful currency of the United States;
VAT	means (i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition;



Vesting Date the vesting date applicable to the Consideration Warrants, details of which are set out in paragraph 12.12 of Part VI of this Document; and

Warrants means warrants to subscribe for new Ordinary Shares.

*References to a "company" in this Document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.*

## GLOSSARY

API	Application Programming Interface (API) is a way for one piece of software to use the functions of another piece of software. This is governed by a set of rules that enables one software program to transmit data (i.e. communicate with) another software program.
Artificial Intelligence (AI)	Artificial intelligence (AI) is the ability of a constructed machine, such as a computer, to simulate or duplicate human cognitive tasks. A machine with AI can make calculations, analyse data in order to create predictions, identify various types of signs and symbols, converse with humans, and help execute tasks without manual input.
bot	A bot is a software program that operates on the Internet and performs repetitive tasks. Bots are automated, which means they run according to their instructions without a human user needing to manually start them up every time.
B2B	business to business
Deep Learning	Deep learning is a type of machine learning that can recognize complex patterns and make associations in a similar way to humans. Essentially, a deep learning model is a computer program that can exhibit intelligence, thanks to its complex and sophisticated approach to processing data.
GenAI	Generative Artificial Intelligence, refers to artificial intelligence systems capable of generating new content, ideas, or data that mimic human-like creativity
Generative Pre-Trained Transformers (“GPT”)	Generative pre-trained transformers (GPTs) are a family of advanced neural networks designed for natural language processing (NLP) tasks. These large-language models (LLMs) are based on transformer architecture and subjected to unsupervised pretraining on massive unlabeled datasets. GPT models form the foundation of many generative AI applications such as ChatGPT. Like many forms of AI, GPT is designed to automate tasks with the goal of simulating human-created output.
Google Gemini LLM	Google Gemini is a family of multimodal large language models developed by Google
Instant Messenger	Instant messaging, often shortened to IM or IM'ing, is the exchange of near-real-time messages through a standalone application or embedded software. Unlike chatrooms with many users engaging in multiple and overlapping conversations, IM sessions usually take place between two users in a private, back-and-forth style of communication.
Large Language Model or LLM	A large language model (LLM) is a type of artificial intelligence (AI) program that uses machine learning to understand and generate human language. LLMs are trained on large amounts of data, which is where the name “large” comes from. They are built on a type of neural network called a PAI model, which is made up of an encoder and a decoder with self-attention capabilities.

LLMs often use natural language processing (NLP) techniques to process and calculate their output.

Software as a Service (SaaS)

software, as a service, a software distribution model in which a cloud provider hosts applications and makes them available to end users over the internet. In this model, an independent software vendor (ISV) may contract a third-party cloud provider to host the application. Or, with larger companies, the cloud provider might also be the software vendor.

UK GDPR

has the meaning given to it in section 3(10) of the UK Data Protection Act 2018

## SHARE CAPITAL AND ADMISSION STATISTICS

Issue Price (per Fundraising Share)	£0.135
Number of Existing Ordinary Shares	18,000,0000
Number of Consideration Shares	72,000,000
Number of Fundraising Shares	6,333,329
Enlarged Share Capital on Admission	96,333,329
Fundraising Shares as a percentage of the Enlarged Share Capital	6.6%
Number of Director Warrants	900,000
Number of Primorus Warrants	1,800,000
Number of BCL Warrants	240,833
Number of Consideration Warrants	6,723,940
Number of Warrants outstanding on Admission	9,664,773
Issued share capital on a fully diluted basis on Admission	105,998,102
Total Warrants as a percentage of the fully diluted basis on Admission capital on Admission	9.1%
Market capitalisation of the Company at the Issue Price following Admission <sup>(1)</sup>	£13.0 million
Gross proceeds of the Fundraising receivable by the Company	£855,000
Estimated Net cash of the Enlarged Group on Admission <sup>(2)</sup>	£995,000
AIM ticker	PR1
ISIN	GB00BPVD4J91
SEDOL	BPVD4J9
LEI	213800TWNMR86AHZ8G84

*Notes:*

- (1) The market capitalisation of the Group at any given time will depend on the market price of the Shares at that time, but this calculation is based upon the Issue Price.
- (2) The Enlarged Group's Gross cash on Admission being £1.295 million less payment of the outstanding costs of Admission of approximately £300,000.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	20 December 2024
SPA unconditional, Admission to trading on AIM effective and commencement of dealings in the Enlarged Share Capital	8.00 a.m. on 30 December 2024
Expected date for CREST members' accounts to be credited (where applicable)	As soon as practicable after 8.00 a.m. on 30 December 2024
Expected date for share certificates to be dispatched (where applicable)	By 13 January 2025

*All references to time in this Document are to London, UK time unless otherwise stated and each of the times and dates are indicative only and may be subject to change.*

## DIRECTORS AND ADVISERS

Directors on Admission	Matthew Beardmore – <i>Non-Executive Chairman</i> James Sheehan – <i>Chief Executive Officer</i> Daniel Maling – <i>Chief Financial Officer</i> Philip Adler – <i>Independent Non-Executive Director</i> Karen Lewis-Hollis – <i>Independent Non-Executive Director</i>
Company Secretary on Admission	Orana Corporate LLP 25 Eccleston Place London SW1W 9NF
Business Office	28 Austin Friars London EC2N 2QQ
Registered Office	c/o Keystone Law 48 Chancery Lane London WC2A 1JF
Website on Admission	<a href="https://pri0r1ty.com/">https://pri0r1ty.com/</a>
Nominated Adviser	Beaumont Cornish Limited Building 3 566 Chiswick High Road London W4 5YA
Broker	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB
Legal advisers to PAI	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Legal advisers to the Company	Keystone Law Limited 48 Chancery Lane London WC2A 1JF
Legal Advisers to the Nominated Adviser and Broker	Marriott Harrison LLP 80 Cheapside London EC2V 6EE
Reporting Accountants to the Company	HaysMac LLP 10 Queen St Place London EC4R 1AG



Auditors to the Company	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Registrars	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX
Financial PR	Camarco, an APCO Company 40 Strand London WC2N 5RW

# PART I

## INFORMATION ON THE COMPANY

### 1. Introduction

Alteration Earth PLC was incorporated as a public limited company in England and Wales on 18 August 2021, with company number 13571750. The Company has not carried out any commercial activity since its incorporation and was established as a special purpose acquisition company. Following on from its proposed strategy, the Company has agreed to acquire PriOr1ty AI Ltd (“**PAI**”) to crystallise and unlock potential future value for Shareholders. The Enlarged Group will be formed following completion of the Acquisition, which is conditional on Admission.

PAI has developed a technology centred, human delivered AI platform built to help businesses grow, where every interaction is navigated by bespoke Generative Pre-Trained Transformers (“**GPTs**”) which are built and trained specifically for each customer (“PriOr1ty Advisor”). Customers subscribing to PriOr1ty products will be able to unlock a range of business growth services, currently focused around investor relations, but commercial lending and corporate governance tools are planned to be launched, providing bespoke offerings mainly for small and medium sized enterprises (SMEs). As at 30 November 2024, PAI has signed up 20 customers for its investor relations PriOr1ty Advisor GPT product.

In December 2023 and May 2024, PAI raised initial equity of £510,000 in aggregate which enabled it to formulate its business plan, specifically funding product development, marketing, and operations. During August and September 2024, as part of a pre-RTO equity financing round, PAI raised a further £550,460, including £300,460 from AIM traded Primorus Investments, to fund PriOr1ty AI’s product launch, scale up of the operational team, IPO process and general working capital.

In connection with the Acquisition, the Company has conditionally raised approximately £855,000 (before expenses) pursuant to the Placing and Subscription through the proposed issue of 6,333,329 Placing Shares and Subscription Shares at a price of 13.5 pence per new Ordinary Share, principally to provide funds for growing sales and the team to support this along with general working capital. The Fundraise is conditional (amongst other things) upon the Acquisition successfully proceeding and Admission to AIM. The Directors believe this represents a significant opportunity for the Group to maximise shareholder value in the short-to-medium term.

The Company held a General Meeting on 13 December 2024 at which various resolutions relating to the Acquisition were approved, including approval for the Acquisition itself.

### 2. Business Strategy and Objectives of Enlarged Group

#### 2.1 Overview

PriOr1ty is an Artificial Intelligence driven, data powered Software as a Service (SaaS) solution that aims to help businesses at various stages of their journey by creating efficiency through technology. The Group’s objective is to assist mainly SMEs by providing a combination of services derived from deep learning, data architecture and AI models.

PAI has built a digital agent for automated business processes, whose underlying technology is PriOr1ty Advisor, a bespoke AI-powered advisory bot that uses Deep Learning and can engage investors, customers or stakeholders either on a website, Instant Messenger (IM) or email server. PAI will collect data on customer interactions to enrich the language model and build community interest maps that power content creation and additional support services.

PriOr1ty Advisor is a smaller Large Language Model built solely on training data for a specific business user. This model can be used by businesses to engage stakeholders, drive efficiency and collect consumer data. PAI aims to have multiple product lines in four different product verticals: corporate governance, financing, brand management and marketing; each service will be driven by a custom artificial intelligence GPT bot that is built and trained specifically for each customer.

## 2.2 **Strategy**

The Enlarged Group's business strategy has several core elements:

### (a) *Product Development*

During 2024, PAI developed and alpha and beta tested, its PriOr1ty Advisor technology which enabled it, in October 2024 to launch the smaller, Large Language Model to business users. Details of PriOr1ty Advisor are set out in section 3 below.

Building on this, PAI is working to develop a process driven online platform that lets users perform a number of basic business tasks at the click of a button. These tasks would typically be performed by numerous staff or external advisors. The ability to do this on a platform would allow the business to save both time and money. By using the platform, the aim is that users will be able to perform a group of functions including but not limited to public relations, investor relations, brand engagement, brand partnerships, stakeholder management, basic management tasks, commercial lending applications and social media management. All outputs will be controlled by the users and they have the ability to control the training data within their small Large Language Model. This makes the platform both controllable and safe for business use unlike certain other alternative AI products.

### (b) *Sales and Marketing*

The group intends to employ a multifaceted marketing approach that leverages its unique value proposition, technology, and ecosystem. The strategies and approaches that PAI intends to employ in attracting and engaging new customers are:

#### i. Content Marketing and Thought Leadership:

**Educational Content:** Create and distribute valuable, educational content that addresses common pain points and challenges faced by SMEs. This includes blog posts, whitepapers, and case studies that showcase how AI can drive business growth.

**Webinars and Workshops:** Host webinars and workshops on topics relevant for SME growth, leveraging AI and related technology, in using these platforms to demonstrate the PAI's capabilities and success stories.

**Industry Reports:** Publish industry reports and insights leveraging the data and trends observed through the PriOr1ty platform.

#### ii. Targeted Digital Marketing:

**Search Engine Optimization and Search Engine Marketing:** Optimize the PriOr1ty website for search engines to attract organic traffic. Additionally, employ search engine marketing to target SME owners and decision-makers with advertisements that highlight PriOr1ty's solutions.

**Social Media Marketing:** Utilize platforms like LinkedIn, Twitter (X), and Facebook (Meta) to share content, engage with the business communities, and run targeted advertising campaigns. Highlight customer success stories and the benefits of AI-driven growth.

**Email Marketing:** Develop segmented email marketing campaigns that deliver personalized content and offers to potential customers based on their industry, size, and growth stage.

#### iii. Strategic Partnerships and Collaborations

**SME Service Providers:** Partner with established SME service providers to offer PriOr1ty as an added value tool to their existing customer base. This can provide a direct channel to engage with new customers.

**Industry Associations:** Collaborate with industry associations and networks to gain access to their membership base for marketing and promotional activities.

**Influencer and Affiliate Marketing:** Engage with selected influencers and thought leaders in the business and technology space to promote PriOr1ty. Implement an affiliate marketing programme to incentivize referrals.

- iv. **Customer Success and Advocacy**  
 Customer Success Stories: Showcase success stories and testimonials from existing customers to build credibility and show the impact of PriOr1ty.  
 Referral Programmes: Implement a referral programme that rewards existing customers for referring new businesses to PriOr1ty.  
 Community Engagement: Build and nurture an online community of SME owners and entrepreneurs. Use this platform to share insights, answer questions, and foster peer-to-peer learning and support.
- v. **Product Demonstrations and Free Trials**  
 Live Demos: Offer live product demonstrations that allow potential customers to see PriOr1ty in action and understand its capabilities.  
 Free Trials: Provide a free trial period for the PriOr1ty platform, allowing businesses to experience the benefits first-hand.
- vi. **Events and Networking**  
 Industry Conferences and Expos: Participate in industry conferences and expos as a speaker, exhibitor, or sponsor. This provides an opportunity to showcase PriOr1ty to a targeted audience.  
 Networking Events: Host or sponsor networking events for SME owners and entrepreneurs. Use these events to build relationships and introduce PriOr1ty's solutions.  
 By implementing these strategies, the Board believes that PriOr1ty can effectively market to new customers in the business industry, showing the value and impact of its AI-driven growth solutions.

### 2.3 **Revenue Model**

All of PAI's products will have standard (currently £499 per month) and premium (currently £999 (plus additional bespoke fees as appropriate) per month) SaaS subscription options available. The premium subscription will deliver an enhanced output with professional human advisors delivering the final output.

PriOr1ty intends to generate revenue, and thus profitability, by increasing its existing client base. The premium subscription allows PriOr1ty the opportunity to increase margins in excess of a traditional SaaS model. By using external advisors to provide these growth services whilst using the PriOr1ty suite of software solutions, it should allow PAI to grow at scale without a proportionately increased operational cost base. At the point these external advisors service multiple customers then PriOr1ty can choose to internalise these functions and benefit from the economies of scale.

### 2.4 **Specialised Skills and Knowledge**

The Board believes that the Group has the skilled personnel required to develop, operate and maintain its software to the level of commercialisation and operation desired, including individuals with the software development and quality management skills required. The Group intends to retain additional service providers on an as-needed basis as its operations continue to grow. Additionally, the Group has within its team a number of technology professionals that have built and sold successful SaaS companies. This experience will help develop not only the technology but also the potential investment activities of the company when assessing revenue accretive acquisitions, should those opportunities arise.

### 2.5 **Competitors**

There are a number of competitors with significantly greater technical, financial and other resources than those of the Group.

The Board considers the following companies to be potentially directly competitive with PAI:

- Hootsuite, a web and mobile platform for managing social networks by individuals or organisations that allows the use, among others, the following social networks: Facebook, Twitter (X), LinkedIn, Google, Instagram, YouTube, Foursquare, etc.
- Jasper, LLM used for text generation, languages translation, writing various types of creative material, and answers to queries. It can be used for customer support, email marketing, copywriting, and content creation.
- Seedlegal, a platform that automates the legal aspects to help companies close funding rounds, allowing founders and investors to create, negotiate and sign the legal agreements they need to do a funding round.

It is the Board's view that, while these competitors specialize in specific verticals targeting niche markets, the Group distinguishes itself by offering solutions across various problem domains in the SME's context. Unlike competitors who may be confined to single verticals, the Group's products are intended to address diverse challenges with tailored solutions.

PriOr1ty's comprehensive suite of services offers several advantages to business customers over the traditional approach of engaging multiple advisors for different aspects of business growth. Here are the key benefits:

- (a) **Cost Efficiency:** Engaging multiple advisors for governance, financing, brand management, and marketing can be significantly more expensive. PriOr1ty provides a scalable and affordable solution, offering access to a wide range of services under a single competitive subscription model. This can lead to substantial cost savings for SMEs, which often operate with limited budgets.
- (b) **Time Savings and Efficiency:** Coordinating with multiple advisors can be time-consuming and may lead to inefficiencies. With PriOr1ty, businesses can access a variety of services through a single platform, streamlining operations and saving valuable time. This unified approach allows for quicker decision-making and implementation.
- (c) **Consistency and Integration:** Utilizing services from different advisors can sometimes lead to disjointed strategies and inconsistencies in execution. PriOr1ty's integrated platform ensures that all services are aligned with the business's overall growth strategy, maintaining consistency across governance, financing, branding, and marketing efforts.
- (d) **Data-Driven Insights:** PriOr1ty leverages artificial intelligence to provide data-driven insights and recommendations. This can offer a more objective and comprehensive analysis compared to individual advisors who may have biases or limited perspectives. The AI-driven approach can uncover unique opportunities and optimize strategies for better results.
- (e) **Scalability:** As businesses grow, their needs evolve. PriOr1ty's platform is designed to scale with the business, offering both standard and premium subscription options that can be tailored to the changing requirements of the business. This flexibility ensures that businesses can access the right level of support at different stages of their growth journey.
- (f) **Innovative Solutions:** PriOr1ty focuses on leveraging the latest AI technologies to offer innovative solutions that may not be available through traditional advisors. This includes AI-powered stakeholder management, social media content creation, and partnership opportunities, providing businesses with a competitive edge.
- (g) **Community and Ecosystem:** PriOr1ty not only offers services but also aims to build a community and ecosystem around its platform. This can provide additional value to businesses through networking opportunities, access to a broader range of resources, and potential collaborations within the PriOr1ty ecosystem.

In summary, it is the Board's view that PriOr1ty's comprehensive and integrated approach offers business customers a more efficient, cost-effective, and scalable solution for growth, leveraging the power of AI to deliver innovative and data-driven strategies.

### 3. Principal Activities of the Enlarged Group

On Admission, the Company's wholly owned subsidiary will be PAI. PAI has two wholly owned subsidiaries, PriOr1ty Holdings Ltd and PriOr1ty Ltd.

PAI provides and intends to provide the following products and services:

- (a) **PriOr1ty Advisor GPT** (*launched in October 2024*): An AI interface that gives users the ability to engage with stakeholder queries in real time, analyse community sentiment and identify trends.

The product key functionalities are:

- Deploy a custom AI GPT (which encompasses the businesses training data unique information) on a customer's website, WhatsApp, Telegram, Facebook or on email.
- Answer stakeholder questions in real time using the business customer's data.
- Track stakeholder interest, feedback and trends on platform. Use this information to create better content and drive engagement.

- (b) **PriOr1ty Spotlight** (*to be launched in H1 2025*): A platform that gives users the ability to create and post Instagram, Twitter (X), Facebook (Meta) and LinkedIn content with a variety of content unique to their business instantly.

The product key functionalities are:

- Create Instagram, Twitter (X), Facebook (Meta) and LinkedIn content instantly specifically for a customer's business.
- Build content based on stakeholder feedback for focused topics and enhanced engagement.
- Turn existing content into social content with a focus on a customer's business.
- Generate a podcast script unique for a customer's business with key questions and focus points.
- Generate press releases, regulatory news or internal memos with prompted topics unique to the business.

- (c) **PriOr1ty Ventures** (*to be launched in H1 2025*): A solution to help businesses engage with investors by creating unique content within a trackable dataroom. The business can share access to the dataroom and the content they create within it.

The product key functionalities are:

- Instantly build a sharable dataroom using the Advisor GPT dataset.
- Create research, sales scripts and email teasers for potential dataroom users
- Follow public companies to be notified of regulatory news releases with AI insights.
- Share dataroom access with interested parties and track their engagement and feedback.
- Access to commercial lending based on uploaded company data with repayment calculators, application and repayment being done on platform. This product is supported by external regulated lending partners and PriOr1ty is not a lender.

- (d) **PriOr1ty Amplify**: (*due to be released in 2025*): A solution to match sponsorship opportunities with businesses looking to grow their brand awareness. Rightsholders can upload assets and have them priced and distributed with customised outreach to businesses based on specific matching criteria.

The key product functionalities are:

- Price sponsorship assets for sale
- Customised AI driven outreach for sponsorship assets with unique narrative for each potential buyer
- Platform based contracting, asset delivery and sponsorship performance monitoring.
- Social listening during the sponsorship activation period driven by PriOr1ty Advisor and PriOr1ty Spotlight for realtime ROI.



(e) **PriOr1ty Sandbox:** (due to be released in 2025): A solution to help businesses manage their corporate governance and shareholder responsibilities.

The key product functionalities are:

- Management notes driven by real company data
- Shareholder resolutions with live stakeholder data, resolution thresholds and electronic attestations
- Corporate governance calendar to ensure businesses remain up to date with filing and regulatory commitments.

#### 4. Market Opportunity and AI Industry Space

##### PriOr1ty Market Opportunity

PriOr1ty operates within the burgeoning AI sector, specifically targeting SMEs with growth services leveraging AI technology. The addressable market for the Group is substantial, considering the vast number of SMEs in the UK and globally. In the UK alone, there are over 5.6 million SMEs, with 743,000 new businesses created in 2022. This number is indicative of a vibrant entrepreneurial ecosystem and represents a significant opportunity for PriOr1ty. The potential for business growth within this market is further underscored by the broader economic impact of AI. PwC estimates that AI could contribute US\$15.7 trillion to the global economy by 2030, highlighting the transformative potential of AI technologies across various sectors.

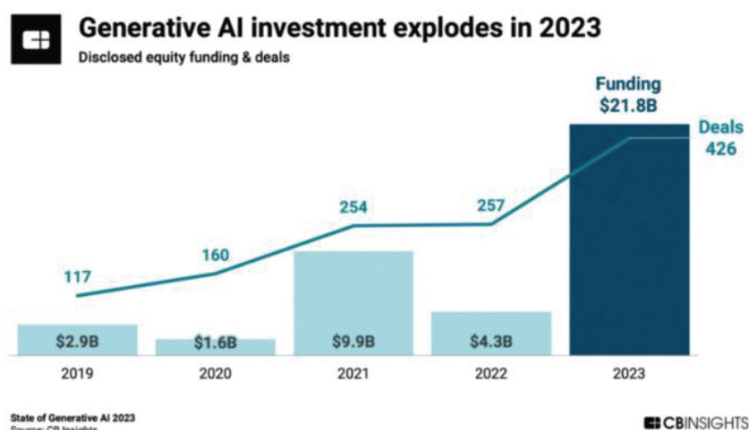
It is the Board’s view that PriOr1ty’s focus on providing AI-driven growth services to SMEs positions it well within this expansive market. PAI’s offerings are designed to be scalable, future-proof, and inclusive, making advanced AI tools accessible to businesses regardless of their size, sector, or growth stage. This approach has the potential to not only democratize access to AI but also addresses a critical need for cost-effective growth solutions among SMEs. By offering a suite of AI-powered services and removing the need for expensive advisors or new hires, PriOr1ty taps into a significant demand for efficient, technology-driven business growth solutions. The growing number of businesses and the increasing recognition of AI’s economic potential suggest a vast addressable market and substantial growth opportunities for PriOr1ty.

##### AI Industry Space

###### Artificial Intelligence Market Space

Consumers’ use of GenAI has seen one of the fastest technology adoptions in human history with 72 per cent. using tools such as ChatGPT to improve their lives<sup>1</sup>. The GenAI market is currently experiencing exponential growth, with total funding in GenAI startups during 2023 in excess of US\$21.8 billion across 426 deals.<sup>2</sup>

**Figure 1. Rapid Expansion of Investment in GenAI during 2023**



Source: CB Insights <https://www.cbinsights.com/research/generative-ai-funding-top-startups-investors-2023/>

According to Aventis Advisors there were 149 seed investments in 2023 in GenAI start-ups with a median pre-money valuation of US\$7 million.

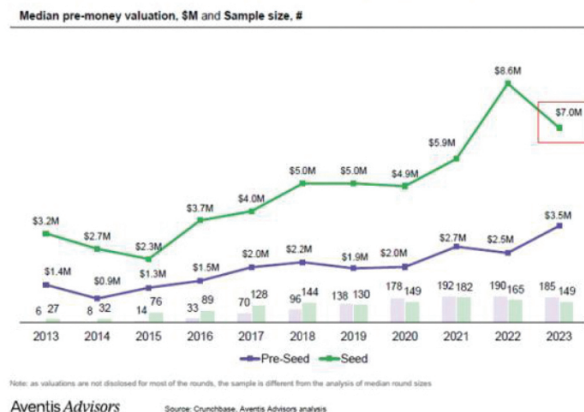
<sup>1</sup> <https://www.euromonitor.com/press/press-releases/nov-2023/consumers-use-of-genai-one-of-fastest-technology-take-ups-in-human-history-with-72-using-tools-to-improve-their-lives-euromonitor-international>

<sup>2</sup> <https://www.cbinsights.com/research/generative-ai-funding-top-startups-investors-2023/>

**Figure 2. Pre-money Valuations of AI Start-ups**

*AI Valuations: Median pre-money valuation*

The median valuations of AI startups have grown significantly over the past 10 years



Source: <https://aventis-advisors.com/ai-valuation-multiples/#:~:text=Pre%2Dmoney%20valuation%20is%20the,less%20equity%20in%20the%20company>

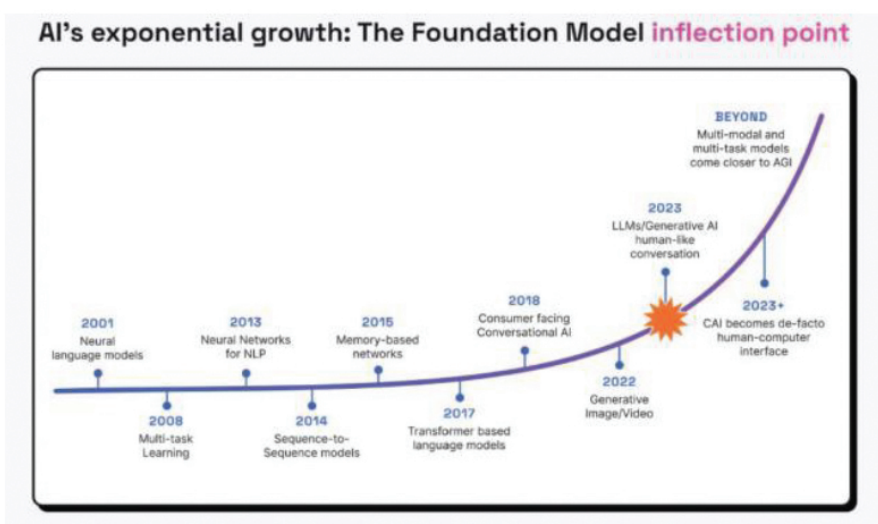
*Early development of Generative AI<sup>3</sup>*

“In the 2000s GenAI began to gain momentum thanks to the advancements in machine learning and Deep Learning (DL) to create neural networks – interconnected layers of “neurons” that process and learn from data like the human brain.”

GenAI has been used for many applications across various domains, demonstrating its powerful capabilities for generating creative and even life-like content.

The Generative Pre-trained PAI (GPT) series, particularly ChatGPT- 3 has the remarkable ability to generate human-like text from simple prompts, igniting global imagination about the creative potential of AI. OpenAI, the company behind the ChatGPT has played a leading role in advancing the capabilities and adoption of Gen-AI.<sup>4</sup>

**Figure 3. The introduction of GenAI in 2023 was an inflection point.<sup>5</sup>**



Source: <https://www.liveperson.com/blog/generative-ai-tools-impact/>

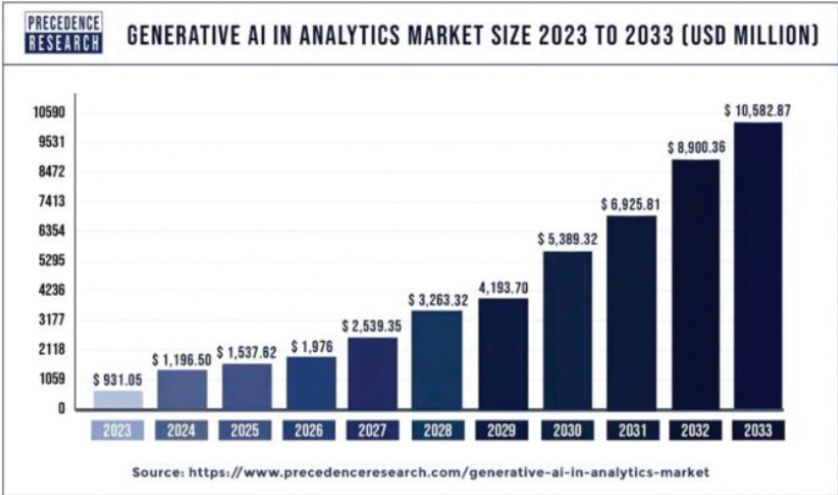
<sup>3</sup> <https://wearebrain.com/blog/the-history-of-generative-ai-genai/>

<sup>4</sup> <https://wearebrain.com/blog/the-history-of-generative-ai-genai/>

<sup>5</sup> <https://www.liveperson.com/blog/generative-ai-tools-impact/>

The current market size for GenAI analytic services is estimated to be approximately US\$1.2 billion in 2024.

**Figure 4. Demand for GenAI Analytics Services is Expected to Rapidly Expand**



Source: <https://www.precedenceresearch.com/generative-ai-in-analytics-market>

**5. Intellectual Property and Technology**

PAI has built all existing technology solutions in house using both proprietary information and open source third party software. PAI is the sole owner of all intellectual property in the form of largely the knowledge and work involved in developing PriOr1ty Advisor. This includes but is not limited to all and any documentation, works, records, reports, papers, materials and data, databases, computer programs, source code and object code (in each case whether in human or machine readable form, hard copy or electronic form) and all preparatory design materials, preliminary drafts or earlier versions of the same, including all user instruction manuals and training materials.

**6. Strategy, Current Trading and Future Prospects**

**Strategy**

As noted above, the Board’s view that PriOr1ty’s focus will be on the UK SME market and in providing AI-driven growth services, positions it well within this expansive market. PAI’s offerings are designed to be scalable, future-proof, and inclusive, making advanced AI tools accessible to businesses regardless of their size, sector, or growth stage.

PAI expects to deploy a wide range of marketing strategies as also outlined above in meeting this strategy.

**Current Trading**

In the period from incorporation to 30 June 2024, PAI’s focus was on developing its core technology PriOr1ty Advisor and therefore incurred costs of £369,000 in that period. As at 30 June PAI held cash of £75,000. The Company as at 31 March 2024 held cash and cash equivalents of approximately £715,000 with trade payables of £70,000. Since then, it has funded certain costs of the Acquisition and Admission.

In the period from 30 June 2024 to 31 October 2024, PAI raised pre-RTO funds of £550,460, incurred costs of £293,000 and generated revenue of £14,000 as clients began to be signed up. As at 30 November 2024, PAI has signed up 20 customers, all being on the standard subscription model.

**Future Prospects**

The Board are confident that the Group is currently well poised to benefit from substantial growth in the future, with plans subject to the successful implementation of this business strategy as set out above, to surpass broadly 100 clients by the end of next year and over 200 in the year after. The Group is strategically positioned to explore innovative avenues for additional expansion to augment scalability and accessibility.

## **Significant Trends**

The Company has identified the following trends it sees in the market in which it operates:

- Increasing adoption of AI in IR, PR and stakeholder engagement.
- Shift away from traditional delivery of professional services.
- Cost pressures in provision of professional services.
- Desire for one-stop shop approach to professional service provision.

## **7. Regulatory Environment**

On 3 August 2023, the UK Government published its AI Regulation White Paper [Source: <https://www.gov.uk/government/publications/ai-regulation-a-pro-innovation-approach/white-paper>] (the “**White Paper**”) and its written response on 6 February 2024 to the feedback it received as part of its consultation on the White Paper (the “**Response**”) [Source: <https://www.gov.uk/government/consultations/ai-regulation-a-pro-innovation-approach-policy-proposals/outcome/a-pro-innovation-approach-to-ai-regulation-government-response>]. The White Paper and the Response indicate that the UK does not intend to enact horizontal AI regulation in the near future. Instead, the White Paper and the Response support a “principles-based framework” for existing sector-specific regulators to interpret and apply to the development and use of AI within their domains.

The UK considers that a non-statutory approach to the application of the framework offers “critical adaptability” that keeps pace with rapid and uncertain advances in AI technology. However, the UK may choose to introduce a statutory duty on regulators to have due regard to the application of the principles after reviewing the initial period of their non-statutory implementation.

The UK Government’s Office for Artificial Intelligence, which was set up to oversee the implementation of the UK’s National AI Strategy, will perform various central functions to support the framework’s implementation. Such support functions include (among other things): (i) monitoring and evaluating the overall efficacy of the regulatory framework; (ii) assessing and monitoring risks across the economy arising from AI; and (iii) promoting interoperability with international regulatory frameworks.

However, on 17 July 2024, the King’s Speech proposed a set of binding measures on AI, which deviates from the previous agile and non-binding approach. Specifically, the UK Government plans to establish “*appropriate legislation to place requirements on those working to develop the most powerful [AI] models*”. The Digital Information and Smart Data Bill was announced, which will be accompanied by reforms to data-related laws, to support the safe development and deployment of new technologies (which may include AI). As at the Latest Practicable Date, it is not yet clear exactly how this will be implemented.

On 26 July 2024, the Department for Science, Innovation and Technology published an “AI Opportunities Action Plan” [Source: <https://www.gov.uk/government/publications/artificial-intelligence-ai-opportunities-action-plan-terms-of-reference/artificial-intelligence-ai-opportunities-action-plan-terms-of-reference>] to leverage AI for economic growth and improved public services. The plan will evaluate the UK’s infrastructure needs, attract top AI talent, and promote AI adoption across the public and private sectors. Evidence will be gathered from academics, businesses, and civil society to create a comprehensive strategy for AI sector growth and integration.

Sector-specific regulators will be interpreting and applying the UK’s overall principles-based AI framework to the development or use of AI within their respective domains. To date, limited sector-specific guidance has been published. The Directors anticipate that regulators will continue to publish updates outlining their respective strategic approach to AI in the near term. The UK does not have a central AI regulator, and the White Paper indicates that there are no existing plans to establish a central AI regulator.

In contrast, the EU’s AI Act came into force in August 2024, taking a more active regulatory approach, based on categorising AI use into risk tiers with corresponding legal obligations and significant financial penalties for misuse. The UK does not need to comply with the AI Act directly because the UK is no longer a member of the EU following Brexit. This means that EU regulations, including the AI Act, do not automatically apply within the UK. The exception to this is applies to UK businesses that operate in the EU. The AI Act has an extraterritorial scope, meaning it applies to any AI systems that are placed on the EU market or affect individuals

within the EU, regardless of where the provider or user is located. Therefore, UK companies that want to operate in the EU or sell AI-related products or services within the EU will need to comply with the AI Act.

PAI does not currently operate in the EU and there is no current intention for it to do so. Therefore, the AI Act will not apply to the Enlarged Group.

## **8. Details of the Fundraising**

The Company has conditionally raised £855,000 (before expenses) through the Placing and Subscription pursuant to which 6,333,329 Fundraising Shares will be issued at the Issue Price. The Fundraising Shares will represent approximately 6.6 per cent. of the Enlarged Share Capital on Admission.

### ***Fundraising and Placing***

The Company is proposing to issue 5,185,182 Placing Shares to the Placees to raise £700,000 (before expenses) as part of the Placing. The Company, the Directors, Beaumont Cornish and Allenby Capital have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, Allenby Capital has conditionally agreed to use its reasonable endeavours to procure Placees for the Placing Shares.

The Placing Agreement is conditional, amongst other things, upon Admission having become effective by no later than 8.00 a.m. on 30 December 2024 or such later time and date as the Company, Beaumont Cornish and Allenby Capital may agree (being not later than 8.00 a.m. on 10 January 2025). Further details of the Placing Agreement are set out in paragraph 12.9 of Part VI of this Document.

### ***Subscription***

The Company is proposing to issue 1,148,147 Subscription Shares at the Issue Price to the Subscribers to raise £155,000. Each of the Subscribers has entered into a Subscription Agreement with the Company pursuant to which, subject to certain conditions, they will subscribe for the Subscription Shares.

Each Subscription Agreements is conditional, amongst other things, upon Admission having become effective by no later than 8.00 a.m. on 30 December 2024 or such later time and date as the Company, Beaumont Cornish and Allenby Capital may agree (being not later than 8.00 a.m. on 10 January 2025).

Further details of the Subscription Agreements are set out in paragraph 12.10 of Part VI of this Document.

The New Shares will, on Admission, rank *pari-passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions thereafter declared, paid or made on the Enlarged Share Capital, and will be placed free of any expenses and stamp duty. In the case of investors receiving New Shares in Uncertificated form, it is expected that the appropriate CREST accounts will be credited with effect from Admission. In the case of investors receiving New Shares in Certificated form, it is expected that certificates will be despatched by post by 13 January 2025.

### ***Director & PDMR Commitment***

Not included in the above, Daniel Maling, Chief Financial Officer, and Daniel Gee, a director of PAI, have committed within 30 days of Admission to subscribe for an additional £15,000 and £35,000 of Ordinary Shares respectively on the same terms as the Placing.

## **9. Principal terms of the Acquisition**

On 20 December 2024, the Company entered into the SPA with the PAI Shareholders pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of PAI and the Founder Warrants for a consideration to be settled through the issue of 72,000,000 Consideration Shares to the PAI Shareholders and, in the case of the Founder PAI Shareholders holding Founder Warrants, the issue to them of the Consideration Warrants on Admission. Based on the price per Consideration Share, the Acquisition represents a value of approximately £9.72 million.

The Consideration Shares will represent 80 per cent. of the Ordinary Shares in issue following completion of the Acquisition (but excluding the Fundraising Shares) and will represent 75 per cent. of the Enlarged



Share Capital. Furthermore, under the terms of the SPA and the warrant instrument governing the Consideration Warrants, the Company has conditionally agreed to grant the Consideration Warrants to the Founder PAI Shareholders. Further details relating to the Consideration Warrants are set out in paragraph 12.12 of Part VI of this Document.

Pursuant to the terms of the SPA, the PAI Shareholders have given the Company title and capacity warranties in relation to the issued share capital of PAI and the Founder PAI Shareholders have given title and capacity warranties in relation to the Founder Warrants. Daniel Gee, The Equities Exchange Limited and Sport Media Ventures Limited (together the "Warrantors"), have given customary warranties on the business, assets and financial and trading position of PAI. In addition, the Company has given the PAI Shareholders customary warranties around the business, assets and financial and trading position of the Company. The Warrantors also benefit from certain limitations on liability under the SPA.

The SPA is conditional upon, *inter alia*: (i) on certain Proposals being approved by Shareholders; (ii) no material adverse effect having occurred; (iii) the representations of the Company and the PAI Shareholders being true and accurate as at Completion; (iv) the satisfaction of certain other closing conditions customary in acquisitions of this nature; and (v) Admission.

The Company may terminate the SPA if the PAI Shareholders fail to comply with pre-completion obligations. The SPA is governed by the laws of England and Wales.

Further details of the SPA are set out in section 17 of this Part I of this Document and paragraph 12.11 of Part VI of this Document.

## **10. Use of Net Proceeds and reasons for Admission to AIM**

The Company has conditionally raised gross proceeds of £855,000 through the Fundraising. The Gross Proceeds of the Fundraising, when aggregated with the Enlarged Group's existing cash balance of approximately £440,000, total £1.295 million and will be used to:

- launch a comprehensive marketing programme, including social media platforms (approximately £150,000);
- grow sales and client delivery teams (approximately £350,000);
- provide general working capital for the Group (approximately £365,000);
- settle certain accrued amounts owing to Sports Media Ventures Limited, Gneiss Energy Limited and First Sentinel Corporate Finance Limited (appropriately £130,000); and
- Settle the outstanding costs of Admission (approximately £300,000).

The Company is seeking Admission in order to take advantage of:

- a quoted company's public profile thereby promoting the Group and its strategy;
- the possibility to create a broad investor base;
- the potential liquidity offered by a quotation on a public market;
- access to institutional and other investors not only on Admission but in the secondary market; and
- incentivisation for management through a transparent and fully disclosed share option scheme (once adopted).

## **11. The Board of Directors and Senior Management**

On Admission, the Board will be comprised of five Directors, whose names are set out below and collectively have extensive experience and a proven track record in the technology sector and are well placed to implement the Group's business objectives and strategy. Martin Samworth will be resigning as a Director on Admission. Any further appointments to the Board will be made after due consideration to the Group's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience.



## 11.1 **Directors**

Profiles of the Directors of Company on Admission are set out below:

### Matthew Paul Beardmore, age 46 – Non-Executive Chairman

Matthew has several computer science qualifications, and he is a practicing solicitor and commercial manager specialising in major infrastructure projects including renewable energy and technology supporting projects. He has completed major projects for Laing O'Rourke, BAM, Pinsent Masons, central and local government and the NHS. Matthew is currently the Chief Executive Officer of AIM traded Primorus Investments plc and was previously a non-executive director at Infrastrata plc. Matthew is currently the CEO of Primorus Investments PLC, which is a technology focused company, with multiple investments in the technology and industrial technology sectors. Matthew's role at Primorus involves engagement with multiple businesses and academic establishments pursuing technologies based on artificial intelligence and industrial intelligence.

### James Daniel Sheehan, age 39 – Chief Executive Officer

James' experience encompasses roles as a trader, investment manager, and stockbroker. James started his career in trading roles at Bridge Hall Stockbrokers from 2006 to 2010 and Kyte Group based in Geneva, eventually leading to a focus on investment management at Cornhill Capital, Daniel Stewart, and Charles Stanley. More recently, James held the position of Head of Stockbroking at Novum Securities Limited 2017 to 2020. Currently, James is a consultant to Global Investment Strategy UK Limited, a UK broker offering a range of services to private clients and listed corporate clients. James is also a non-executive director of two early-stage private technology companies both in the process of adopting artificial intelligence technology as a corner stone of their long term strategy.

### Daniel (Dan) John Shilton Maling, age 49 – Chief Financial Officer

Daniel is a member of the Chartered Accountants of Australia & New Zealand. He has over 20 years of senior corporate and commercial management experience primarily in the natural resource and technology sectors. Daniel has worked with several AIM, ASX and TSX listed companies providing corporate finance, business development and strategic advice. Currently, Daniel is Finance Director of AIM traded Metals One Plc and a director of AQSE traded Hydrogen Future Industries Plc as well as being a non-executive director at Engage Technology Partners Ltd, a workforce management SAAS platform.

### Philip Adler, age 65 – Independent Non-Executive Director

Philip has four decades of experience across a range of roles and firms focused on equity capital markets. He started his career at Amalgamated Metal Trading Limited in 1981, followed by Pember & Boyle Stockbrokers, where he held the position of a LIFFE Ring Trader. Subsequently at IG Index, Philip became dealing director in 1998. In 1998 Philip joined GNI where he assisted the establishment of both the retail and institutional equity CFD business. On returning to IG Index in 2009, Philip was head of IG markets UK and head of institutional business where he managed IG Markets retail and institutional UK CFD business for 2 years. Philip's career has included periods in strategy and business development roles, including head of business development at Solo Capital. Philip was also formerly Head of CFD Business Development at ED&F Man Capital Markets and DMA Markets, where he developed a regulated CFD brokerage business tailored for day traders specialising in equity products. Philip is currently a non-executive director of Jump Trading Europe B.V.

### Karen Patricia Lewis-Hollis, age 64 – Independent Non-Executive Director

Karen has principally been involved in technology-based businesses since 1996. A member of the Chartered Institute of Bankers and Association of Taxation Technicians, Karen's first major role was as CEO of Patersons (now Cloudpay), an IT business focused on providing HR, payroll and IT solutions for large corporates. Karen was then CEO of ACREDE Plc, another payroll business founded in 2008 which was bought by Intuit for £44 million in 2014 shortly prior to a planned AIM IPO. Karen has continued to act as an adviser and strategic consultant to a variety of businesses, predominantly in the technology sector.

## 11.2 Senior Management

### *Daniel George Francis Gee – Director of PAI*

Daniel has a finance background with experience in securities trading and stockbroking and has held senior positions at various financial institutions. He started his career as an equity derivatives trader at League Traders Limited in 2006 after which he moved to Alexander David Securities Limited where he was a stockbroker focusing on UK small and mid-cap companies. Daniel later moved to Cornhill Capital Limited where he spent 5 years working as a stockbroker covering the UK markets and later as a compliance officer where he oversaw the retail stockbroking division. Daniel served as the CEO of Pello Capital Limited, a wealth management firm. His most recent directorships include LDN UTD, a UK based Esports organisation, and Sport Media Ventures Ltd, an investment and growth company.

### *Luke Gallichan – Head of Marketing (PAI)*

Luke Gallichan was Chief Commercial Officer at SkiBro, where he managed a team of 15 to meet company targets, scaled revenue to U\$5 million+ from marketplace products, and led the acquisition of a competitor to launch a six-figure generating SaaS product. Luke also worked as a Sales Account Manager at SkiBro, developing the commercial strategy for the company's launch in January 2018 and delivering substantial revenue in the first 3 months with over 200 organic clients. Prior to SkiBro, Luke worked as a Broker at Stonehage Fleming, Operations Analyst at Yoyo Wallet, and Investment Analyst at Contrarius Investment Management Limited. Luke holds a Bachelor of Engineering (BEng) in Civil Engineering from the University of Bath.

### *Chris Nochirri – Head of Sales (PAI)*

Chris Nochirri graduated from Cambridge (Gonville & Caius) in Land Economy in 2017, having been a founding member of Strawberries & Creem Festival in 2014 – as well as The Cambridge Club following that. In 2020 Chris helped to secure the backing of Sony Music for the Strawberries & Creem festival. Chris has delivered numerous festival partnerships with the likes of Doritos, TikTok, ProDirect, Nike and Hennessy. He also spearheaded an industry-leading 'Safe Spaces Now' pledge and campaign, alongside gender equality champions UN Women UK – aiming to tackle sexual harassment across music and events, with signatories such as Emily Eavis (Glastonbury), Ellie Goulding and Anne-Marie, and support from a multitude of other events businesses.

## 12. Corporate Governance and Relationship Agreement

### **QCA Code**

AIM-quoted companies are required to adopt a recognised corporate governance code on Admission. However, there is no prescribed corporate governance regime in the UK for AIM companies. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Group and the interests of its Shareholders.

The Directors acknowledge the importance of the principles set out in the QCA Code and intend to apply the QCA Code, as far as they consider appropriate for a company of its size and nature with effect from Admission.

On Admission, the New Board will consist of three non-executive directors (including the Chair) and two executive directors, reflecting a blend of different experiences and backgrounds. The QCA Code recommends that a board should comprise of a balance of executive and non-executive directors, with at least two non-executive directors being independent. The QCA Code suggests that independence is a board judgement, but where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained. Two of the non-executive directors, Karen Lewis-Hollis and Philip Adler, are considered to be independent for the purpose of the QCA Code.

The Board will hold regular meetings, and the Directors will be responsible for formulating, reviewing and approving the Group's strategy, budget and major items of capital expenditure. Briefing papers will be distributed to all directors in advance of Board meetings. All Directors will have access to the advice and services of the Chief Financial Officer, who will be responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. In addition, procedures will be in place to enable the directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Group's expense.

Further details on how the Group intends to comply with the QCA Code (updated for 2023) are set out in Part V of this Document.

### ***Audit and Risk Committee***

The Audit Committee will comprise of Karen Lewis-Hollis (as Chair) and Matthew Beardmore. Appointments to the Audit Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the directors meet the criteria for membership of the Audit Committee. The Audit Committee will be primarily responsible for reviewing and overseeing the relationship with the external auditors, including making recommendations to the Board on the appointment of the Group's external auditors and their remuneration, and ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee will review and approve the annual internal audit plans, receive reports on the results of the internal auditor's work and will review the actions taken by management to implement the internal audit recommendations. The Audit Committee will also consider, manage and report on the risks associated with the Group and ensure that it complies with the AIM Rules for Companies and UK MAR in relation to the disclosure of inside information.

### ***Remuneration Committee***

The Remuneration Committee will comprise of Philip Adler (as Chair) and Karen Lewis-Hollis. Appointments to the Remuneration Committee shall be for periods of up to three years, which may be extended for no more than two additional three-year periods provided the members continue to be independent. The Remuneration Committee is required to meet at least once a year and are responsible for making recommendations to the Board and monitoring the level and structure of remuneration (including pension rights and compensation payments) for senior management (including the executive Directors) ensuring that the Group can recruit and retain executive directors, officers and other key employees who are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Group. Each member of the Remuneration Committee shall have one vote, which may be cast on matters considered at a meeting.

### ***Share Dealing Code***

With effect from Admission, the Group will operate its Share Dealing Code, which is compliant with Article 19 of UK MAR and Rule 21 of the AIM Rules for Companies. The Share Dealing Code will apply to any person discharging management responsibility, including the Directors and the senior management and any closely associated persons and applicable employees.

The Share Dealing Code imposes restrictions beyond those that are imposed by law (including by FSMA, UK MAR and other relevant legislation) and its purpose is to ensure that persons discharging managerial responsibility and persons closely associated with them do not abuse, and do not place themselves under suspicion of abusing, unpublished price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of financial results. The Share Dealing Code sets out a notification procedure which is required to be followed prior to any dealing in the listed securities of the Group.

### ***Anti-Bribery and Corruption Policy***

The Group has adopted an anti-bribery and corruption policy which applies to the Board and employees of the Company and which sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Audit Committee has primary responsibility for implementing the policy and in the absence of any material changes, the Audit Committee shall report to the Board annually.

The Group expects all employees, agents or other person or body acting on the Company's behalf to conduct their business on the Company's behalf in compliance with the Company's policy. The prevention, detection and reporting of bribery is the responsibility of all employees throughout the Company. Employees are encouraged to raise concerns about any instance of malpractice at the earliest possible stage. Suitable channels of communication by which employees or others can report confidentially any suspicion of bribery will be maintained through the ability of employees to contact any member of the Board.

In addition, the Company operates anti-money laundering, and whistle-blowing policies to ensure it operates in an ethical and sustainable manner.

### **Relationship Agreement**

The (i) Company, (ii) Beaumont Cornish and (iii) Daniel Gee, Sport Media Ventures Ltd and The Equities Exchange Ltd have entered into the Relationship Agreement which regulates the ongoing relationship between each of those Shareholders and the Company with a view to ensuring that, amongst other things, transactions and relationships between the Company and those Shareholders are entered into on an arm's length basis. The Relationship Agreement will apply to Daniel Gee, Sport Media Ventures Ltd and The Equities Exchange Ltd for so long as they, together with their associates, collectively hold 20 per cent. of the issued Ordinary Share of the Company unless another Shareholder acquires 20 per cent. or more of the issued Ordinary Shares of the Company and that party does not enter into a relationship agreement with the Company and Beaumont Cornish, in which case the obligations under the Relationship Agreement shall cease for such time as no other relationship agreement is in place. Details of the Relationship Agreement are set out in paragraph 12.2. of Part VI of this Admission Document.

### **13. Working Capital**

The Directors are of the opinion that, having made due and careful enquiry and taking into account the Net Proceeds, the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

### **14. Dividend policy**

The Group is primarily seeking to achieve capital growth for its Shareholders. It is the Board's intention during the current phase of the Group's development to retain future distributable profits from the business, to the extent any are generated. The Group does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Group of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Group's operations, financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.

### **15. Re-registration of PAI**

On 28 November 2024, PAI re-registered as a private company ("**Re-registration**"), to become PriOr1ty AI Ltd. PAI was first incorporated in England and Wales on 27 October 2023 under the name of PriOr1ty AI Plc, with company number 15241564. PAI was incorporated as a public limited company with the original intention of carrying out a listing of its shares on the Access Segment of the Aquis Stock Exchange Growth Market ("Aquis IPO"). However, on 27 June 2024, the Aquis IPO was aborted and PAI entered into a non-binding term sheet with the Company in connection with the Acquisition.

On 1 November 2024, PAI posted a circular and notice of a general meeting to the PAI Shareholders (the "**Circular**"), seeking the approval of the PAI Shareholders to the Re-registration and their agreement to the proposed Acquisition (the "**Proposals**"), and to give notice of a general meeting at which the resolutions to approve the Proposals be proposed for the PAI Shareholders' approval (the "**PAI GM**"). The Circular also enclosed a form of acceptance and irrevocable power of attorney under which the PAI Shareholders would appoint PAI (acting by its directors) as their attorney to take all reasonable and necessary actions on the PAI Shareholders' behalf in order to give effect to the Acquisition.

On 20 November 2024 the PAI GM was held and PAI obtained all necessary approvals from the PAI Shareholders in respect of the Re-registration. The PAI Shareholders also executed the forms of acceptance and powers of attorney pursuant to which they agreed to the Acquisition in principle and granted the directors of PAI the authority to execute the SPA, Founder Warrant Surrender Deeds (further details of which are set out in paragraph 12.19 of Part VI), the Lock-In and OM Agreements and forms of transfer in relation to the PAI Shares and Founder Warrants on their behalf, and execute all other documents and take all other steps and action required to give effect to the Acquisition.

## 16. Change of name

At the General Meeting held on 13 December 2024, approval for the name of the Company to be changed to PriOr1ty Intelligence Group PLC was given and therefore, with effect following Admission, to better reflect the operations of the Enlarged Group, this will occur. Its website address will be changed to <https://priOr1ty.com/>.

## 17. Lock-In and Orderly Market Arrangements

On Admission, the **AIM Rule 7 Locked-in Shareholders** and other Locked-in Shareholders will hold in aggregate 43,380,153 Ordinary Shares, representing approximately 45.03 per cent. of the Enlarged Share Capital.

Pursuant to the Rule 7 Lock-In Agreement, the AIM Rule 7 Locked-In Shareholders (comprising the Directors and certain other Shareholders) and their Associates, have in accordance with Rule 7 of the AIM Rules for Companies undertaken not to (and to use their best endeavours to procure that their Associates shall not), save in limited circumstances permitted by the AIM Rules for Companies, dispose of any of their interests in Ordinary Shares (including any Ordinary Shares that they may acquire through the exercise of Warrants) at any time prior to the first anniversary of Admission.

In addition, the AIM Rule 7 Locked-In Shareholders have each agreed with the Company, Beaumont Cornish and Allenby Capital only to dispose of Ordinary Shares held by them for a further period of 12 months from the expiry of the Lock-in Period in accordance with certain orderly market principles.

In addition, certain other PAI Shareholders (excluding the AIM Rule 7 Locked-In Shareholders) who will hold in aggregate 29,224,305 Ordinary Shares, representing approximately 30.36 per cent. of the Enlarged Share Capital, have agreed not to (and to use their best endeavours to procure that their Associates shall not), save in limited circumstances permitted by the AIM Rules for Companies, dispose of any of their interests in Ordinary Shares (including any Ordinary Shares that they may acquire through the exercise of Warrants) at any time prior to the six month anniversary of Admission and thereafter for a further period of six months only to deal or otherwise dispose of any such interests through Allenby Capital (or the broker to the Company at the time of disposal) in order to assist in the maintenance of an orderly market in the Ordinary Shares.

Details of the Rule 7 Lock-In Agreements and the Lock-In and OM Agreements are contained in paragraphs 12.13 and 12.15 respectively of Part VI of this Document.

## 18. Settlement, Trading and CREST

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Enlarged Share Capital at 8.00 a.m. on 30 December 2024. No application has or will be made for the Ordinary Shares to be admitted to trading or to be listed on any other stock exchange.

The Ordinary Shares are eligible for CREST settlement and settlement of transactions in the Ordinary Shares may take place within the CREST system if a shareholder so wishes. 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 CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system. The Articles permit the holding of Ordinary Shares in electronic form and evidence of the title to Ordinary Shares will be established on an electronic register maintained by the Registrar. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

In the case of Shareholders who have requested to receive Ordinary Shares in uncertificated form, it is expected that CREST accounts will be credited by 30 December 2024. Shareholders who wish to receive and retain share certificates are able to do so and Shareholders who have requested to receive Ordinary Shares in certificated form, it is expected that share certificates will be dispatched by post by 13 January 2025. All Warrants shall be issued in certificated form and certificates reflecting the Warrants are expected to be dispatched to holders of Warrants within 14 days of Admission.



No temporary documents of title will be issued. All documents sent by or to a Shareholder who elects to hold Ordinary Shares in certificated form, or at their direction, will be sent through the post at their risk. Pending the dispatch of definitive share certificates, transfers will be certified against the register of members of the Company.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

The Ordinary Shares have the ISIN number GB00BPVD4J91 and SEDOL number BPVD4J9. The Ordinary Shares will not be dealt 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.

## **19. Warrants**

### ***Director Warrants***

The Company has granted the Director Warrants to the Existing Directors, which entitles (but does not obligate) them to subscribe for an aggregate of 900,000 Shares. Each Director Warrant is exercisable over one Ordinary Share at a price per share of £0.003. The Director Warrants equate to 0.8 per cent. of the Fully Diluted Share Capital. The Director Warrants are constituted by a warrant instrument, further details of which are contained in paragraph 12.1 of Part VI of this Document.

### ***Primorus Warrants***

The Company has granted the Primorus Warrants to Primorus Investments, which entitles (but does not obligate) Primorus Investments to subscribe for an aggregate of 1,800,000 Shares. Each Primorus Warrant is exercisable over one Ordinary Share at a price per share of £0.003. The Primorus Warrants equate to 1.7 per cent. of the Fully Diluted Share Capital. The Primorus Warrants are constituted by a warrant instrument, further details of which are contained in paragraph 12.3 of Part VI of this Document.

### ***Consideration Warrants***

Pursuant to the terms of the SPA and a warrant instrument, the Company has conditionally agreed to grant the Consideration Warrants to the Founder PAI Shareholders, which entitles (but does not obligate) them to subscribe for an aggregate of 6,723,940 Shares. Each Consideration Warrant is exercisable over one Ordinary Share at a price per share of £0.03. The Consideration Warrants equate to 6.3 per cent. of the Fully Diluted Share Capital. The Consideration Warrants are constituted by a warrant instrument, further details of which are contained in paragraph 12.12 of Part VI of this Document.

### ***BCL Warrants***

On Admission, the Company has agreed to grant 240,833 BCL Warrants to Beaumont Cornish pursuant to which BCL shall be entitled (but not obligated) to subscribe for an aggregate of 240,833 Shares, this equates to 0.23 per cent. of the Fully Diluted Share Capital. Each BCL Warrant is exercisable over one Ordinary Shares at a price per share equal to the Issue Price. The BCL Warrants will be exercisable in whole or in part for five years from and subject to Admission. The BCL Warrants are constituted by a warrant instrument, further details of which are set out in paragraph 12.14 of Part VI of this Document.

## **20. The Takeover Code and Concert Party**

The Takeover 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 per cent. 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 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

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 following persons are acting in concert in relation to the Enlarged Group on Admission: Daniel Gee, The Equities Exchange Limited, Sport Media Ventures Limited and Nicholas Josh. On Admission, the members of the Founder Concert Party will be interested in 28,621,157 shares, representing 29.71 per cent. of the voting rights of the Company, as illustrated in the Table 1 below:

**Table 1: Founder Concert Party interests in the Company at Admission**

<i>Founder Concert Party member</i>	<i>Number of Ordinary Shares at Admission</i>	<i>Interest at Admission in the Share Capital</i>	<i>Number of Consideration Warrants at Admission</i>
Daniel Gee	5,196,088	5.39%	1,344,787
The Equities Exchange Limited <sup>1</sup>	7,069,092	7.34%	1,633,917
Sport Media Ventures LTD <sup>2</sup>	13,447,874	13.96%	–
Nicholas Josh	2,908,103	3.02%	480,762
<b>Total</b>	<b>28,621,157</b>	<b>29.71%</b>	<b>3,459,466</b>

1 James Sheehan, a director of the Company, holds an indirect 50 per cent. interest in The Equities Exchange Limited, with the other 50 per cent. owned by Callum Hill.

2 James Sheehan, a director of the Company, holds an indirect 36.42 per cent. interest in Sport Media Ventures Ltd, with the balance held by a number of different minority shareholders, all of whom have less than 10.01 per cent.. Daniel Gee, another director of the Company, is a director but does not hold any shares in Sport Media Ventures Ltd.

As set out in Table 1 above, certain members of the Founder Concert Party will also be interested in 3,459,466 Consideration Warrants at Admission, which, subject to the Vesting Date, can be exercised from the Vesting Date until the fifth anniversary thereafter into new Ordinary Shares. Further details of the Consideration Warrants (including the vesting terms) are set out in paragraph 12.12 of Part VI of this Document.

The terms of the instrument granting the Consideration Warrants include a condition that the Founder PAI Shareholder's interest (together with any parties acting in concert) on exercise of any Consideration Warrants shall not exceed 29.9 per cent. of the Company's issued share capital ("Maximum Interest") at any time ("Exercise Condition").

The Directors, at their sole discretion, will only allot and issue such number of new Ordinary Shares on receipt of an exercise notice as will not result in any Founder Concert Party member's interest exceeding the Maximum Interest and any Consideration Warrants which are not exercised into Ordinary Shares prior to the expiry date of the Consideration Warrants will lapse.

## 21. Taxation

The attention of investors is drawn to the information regarding taxation set out in Part V of this Document. This information is intended only as a general guide to the current tax position in the UK for certain types of investors.

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

## 22. Further Information and Risk Factors

You should read the whole of this Document which provides additional information on the Company and not rely on summaries or individual parts only. Your attention is drawn to the further information in this Document and particularly to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before deciding to invest or acquire shares in the Company.

## PART II

### RISK FACTORS

*An investment in the Ordinary Shares is subject to a number of risks. Accordingly, prospective investors should carefully consider all of the information set out in this Document and the risks attaching to such an investment, including, in particular, the risks described below (which are not set out in any order of priority), before making any investment decision in relation to the Ordinary Shares.*

*This Document contains forward-looking statements which have been made after due and careful enquiry based on the expectations and assumptions of the Directors and which involve known and unknown risks and uncertainties, including the risk factors described in this Part II. Whilst the Directors believe that the expectations reflected in such forward-looking statements are reasonable, they may be affected by a number of variables which could cause actual results or trends to differ materially. Potential investors should not therefore place undue reliance on such forward-looking statements in making any investment decision. Save to the extent required by applicable law and the AIM Rules for Companies, the Company disclaims any obligation to update any forward-looking statements in this Document to reflect future events or developments.*

*In the event that any of the circumstances identified in the risk factors referred to in this Part II were to materialise, the financial condition, results of operations and future prospects of the Group could be adversely affected, and investors may lose all or part of their investment.*

*The risk factors described in this Part II do not purport to be an exhaustive list of all relevant risks, since the Group's performance might be affected by other factors, including, in particular, changes in market and/or economic conditions or in legal, regulatory or tax requirements. Potential investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of information in this Document and their individual circumstances. An investment in the Ordinary Shares should only be made by those with the necessary expertise to evaluate fully that investment.*

*The risks referred to below are those risks the Enlarged Group and the Directors consider to be the material risks relating to the Enlarged Group. However, there may be additional risks that the Enlarged Group and the Directors do not currently consider to be material or of which the Enlarged Group and the Directors are not currently aware that may adversely affect the Enlarged Group's business, financial condition, results of operations or prospects. Shareholders and prospective investors should review this Document carefully, in its entirety, and consult with their professional advisers before acquiring any Ordinary Shares.*

#### **RISKS RELATING TO THE COMPANY'S BUSINESS**

##### **Competitor Risk**

There are many companies currently developing AI software, with several players that operate in the same field as PAI, with larger and more established businesses, with access to substantial financial resources, larger operational capabilities, and longer track records in software development.

These players may develop and deploy new technologies or features that could provide them with a competitive advantage. This could result in increased competition, pricing pressure, and potential erosion of the Group's market share. The Group may need to invest significant resources in developing and maintaining cutting-edge technologies, such as advanced algorithms or data analytics capabilities, to remain competitive. Failure to keep up with technological advancements or to differentiate itself in a saturated market could impact the Company's trading volumes, transaction fees, and overall revenues, potentially affecting its financial performance and market position.

Competitors also have the opportunity to forge strategic partnerships and alliances with key stakeholders in the AI sector, including software developers, universities, and potential corporate clients potentially leading to enhanced competitive advantages. The Group may be at a disadvantage should it not form such partnerships.

Furthermore, PAI is seeking to provide a number of services, such as investor relations, public relations and corporate governance advice, traditionally provided by a range of professional services firms. There is a risk that either PAI potential customers continue to use such traditional providers of these services or that these



firms develop or acquire their own AI enabled software products thereby reducing PAI's competitive advantage. Should this prove to be the case the growth opportunities for PAI may be reduced.

**If the Group fails to attract customers, it may be unable to grow its revenues and profitability and effectively invest to enhance the capabilities of its platform, if at all**

PAI does not have a 3 year financial reporting history since its incorporation on 27 October 2023 and has no reported accounts containing revenues or results of operations, meaning that there is no basis on which to evaluate the Company's performance or its ability to achieve its business objective of operating or expanding its software and users.

As the market for AI products becomes more saturated, competition for customers will continue to increase. In order to grow revenues, the Group will need to retain customers to the extent possible and continuously attract new customers to replace those who terminate their platform subscriptions, and any failure to do so could impact the Group's revenues. PAI is an early-stage business and therefore is dependent on the acquisition of new customers to replace lost customers, and its ability to attract new customers depends on the perceived value of its platform versus that of the products offered by competitors. The Group will rely on its marketing and sales strategies to attract new customers to its services and sales solutions. If sales personnel fail to sell the Group's products, to upsell new products that it develops or fail to renew contracts with customers, may result in loss of customers.

If the Group's marketing or sales strategy is not successful, or if marketing costs were to significantly increase, it may not be able to grow 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 particular, the Group can provide no assurance that revenues will grow or remain at current levels even if it continues to gain new customers. For example, if the Group is not able to replace large accounts and it is unable to adjust its cost structure, revenue and profitability could decrease. In addition, if the Group needs to expend additional resources in order to maintain existing customers, it could have a significant impact on its business and financial condition.

**The Company's software or content may contain defects and not perform as expected**

The Company's software is complex and there can be no assurance it will perform as intended. It may contain defects or vulnerabilities which may surface in the future and make the Company and its customers vulnerable to adverse performance or information technology security failures. The Company may not always be able to identify or fix defects promptly. Additionally, its business would suffer if such defects harmed its customers or caused its customers, or potential customers, to believe the Company's software is not reliable or secure. As a result, the Company may lose customers, become liable for damages, suffer negative publicity, financial losses and reduced business prospects.

**Dependence on Directors and contractors; potential conflicts of interest**

The Group's success will depend on the skills, experience, and availability of its Directors, senior managers, particularly Daniel Gee, and other contractors engaged by the Group. The loss of any of these key Directors, senior managers or consultants could adversely impact the Group's business and delay the development of its products and services, disrupt its operations and impact its prospects. There can be no assurance that the Group will be successful in attracting and retaining such personnel.

Whilst the Company is finalising key man insurance providing cover should Daniel Gee be unable to fulfil his role at PAI there remains a risk the Company may be unable to replace him with a sufficiently capable individual or such policy will not fully compensate for the impact on the Group.

There can be no assurance that the Group will be able to manage effectively the expansion of its operations or its current personnel, systems, procedures and controls will be adequate to support their operations. Any failure of management to manage effectively the Group's growth and development could have a material adverse effect on the Group's business, financial condition and result of operations.

### **New software versions incorrectly released into existing infrastructure**

Given PAI's current IT infrastructure, there is a risk that incremental codes changes made by the developers could be incorrectly layered on top of the existing infrastructure, with manual processes subject to human error and difficulty in rolling back changes already made.

However, mitigation is achieved through committing to a release procedure where the code is tagged and tested prior to each release. PAI has now adopted CI/CD (Continuous Integration and Continuous Delivery) pipelines available within GCP (Google Cloud Platform) to further reduce the risk of human error during a release of a new code/software versions.

### **A failure by the Directors to execute the Company's growth strategy or to manage any associated growth**

If the Group were to experience high levels of growth, this may place certain demands on its resources, systems, internal controls and management. A number of factors may undermine the Company's ability to sustain its growth or to effectively execute its growth strategy which could materially and adversely affect the business, revenue, financial condition and operating results. Such factors include: any failure by the company to successfully compete with new market entrants or existing competitors; any failure to attract or retain key employees; any failure or lack of resource in connection with the Company's acquisition strategy; a failure by the Company to compete successfully or grow in new territories; or legal and regulatory developments with respect to any of the jurisdictions in which the Company operates or may operate in the future.

The costs associated with implementing the Company's growth strategy may, whether such strategy is successful or not, cause a decrease in its operating profit margins. In addition, the time required to execute such strategy could divert management's attention from other business concerns. A failure by the Directors to execute the Company's growth strategy, or to manage any associated growth, could have an adverse effect on its business, financial condition and results of operations.

### **Ability to develop and convert sales pipeline into new business**

The Group's revenue is expected to grow through new customer engagement, which is a key part of its growth strategy. The company's ability to achieve this is subject to the sales team as well as successful implementation of marketing strategies in being able to successfully convert potential customer leads into revenue contracts for the Company. This could be affected by any economic downturn in the company's markets, competition, or failure to retain key sales staff or to recruit a sufficient number of quality sales people to drive growth.

### **Internal procedures, systems, operations and controls**

The 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 human error or events beyond the Company'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 Company's business. The occurrence of any such damage, breakdown or interruption could adversely affect the Company's business, financial condition, results or future operations.

### **Separation of environments**

The Company's development and production environments run on separate virtual machines with no major shared components. Additionally, the environments run on the same virtual network and are not explicitly walled off from each other. There is a risk that any misconfiguration could allow development software components to access production accidentally. The occurrence of any such misconfiguration could adversely affect the Company's business, financial condition, results or future operations.

### **Regression Testing and Code Quality Assurance**

The Company has not fully implemented a regression testing model or appropriate code quality standards. Consequently, there is a risk that the Company's system is more vulnerable to new bugs whenever the code is changed or updated. The occurrence of any such damage, breakdown or interruption could adversely affect the Company's business, financial condition, results or future operations.

### **Application of existing tax laws, rules or regulations are subject to interpretation by taxing authorities**

The application of tax laws in the jurisdictions in which the Group currently operates is subject to interpretation. In assessing the business operations of the Company, including its international operations, the relevant taxing authorities may challenge its methodologies or determine that the manner in which the company operates its business does not achieve the intended tax consequences, which could increase its worldwide effective tax rate and adversely affect its financial results. In addition, whilst the company has sought advice in relation to the structuring of the company from a tax perspective, such structuring may be challenged or deemed inappropriate by the relevant taxing authorities, which could, in turn, lead to additional financial liability for the Company.

### **Protection of intellectual property and trademarks**

The Group will endeavour to enter into agreements with its employees and contractors and with parties with whom it does business in order to protect its intellectual property and limit access to and disclosure of its proprietary information. The Company cannot be certain that the steps it has taken will protect its technology or intellectual property or prevent unauthorised use or the reverse engineering of its technology.

A failure to protect the Group's intellectual property rights could have a material adverse effect on the Company's business, financial condition and operational results. Similarly, an infringement by the Company of any existing intellectual property rights or trademarks or the inability to secure trademark protection could also lead to litigation and/or materially adversely affect the company's business, financial condition and operational results.

As at the date of this Document, PAI has not registered any of its intellectual property rights. There is therefore a risk that a third party could register or attempt to register PAI's name or logo (or a sign confusingly similar) as a trade mark which could make it difficult for PAI to then use this name or logo unless PAI successfully opposes such registration for example due to PAI's prior use.

### **The Group's artificial intelligence algorithms may not operate properly or as expected which could detrimentally impact its platform's effectiveness**

The Group's activities are concentrated on its PriOr1ty platform. Therefore, any events affecting such activities may have a greater impact on the Group than its competitors who may have greater financial resources or a more diversified business model. Artificial intelligence algorithms may not operate properly as expected which could negatively impact the Group's ability to carry on its business. As with many developing technologies, AI presents risks and challenges that could affect its algorithms' further development, adoption and use in the Company's business. AI is a novel technology, its acceptance is subject to change and there may be future backlash against AI technology or certain AI use cases. AI algorithms may be flawed. Datasets may be insufficient, of lesser quality than expected, or contain biased information. If the recommendations, forecasts, responses or analyses that AI applications produce are deficient or inaccurate, the Group could be subject to competitive harm, potential legal liability, and brand or reputational harm. Though the Group's technologies and business practices are designed to mitigate many of these risks, if it enables or offers AI solutions that fail to operate as expected it could have a detrimental impact on business operations.

PAI's artificial intelligence algorithms may be undermined by other AI technologies deployed by bad actors or otherwise. Although the Group's technologies and business practices are designed to mitigate many of the risks posed by other AI technology, it is possible that offensive AI is developed that can outperform the Group's algorithms or is designed to confuse its AI. PAI's technology could be subverted by offensive AI causing it to produce a large number of false reports as a diversion, or the platform could be misused and the results posted online. If offensive AI is developed and spread at low cost to cyber criminals, the bar to launch sophisticated offensive AI attacks is significantly lowered. Moreover, advancements in technology

and artificial intelligence generally may also prevent its artificial intelligence technology from working as expected. These advancements could negatively impact the Group's operations.

### **Reliance on third-party data centres**

The Group's customers depend on the continuous availability of its AI platform. PAI will host its platform and serve its customers using a mix of third-party data centres, primarily Amazon Web Services, and its own internal data servers, hosted in the United Kingdom. The Group could be subject to service disruptions as well as failures to provide adequate support from its third-party data centres for reasons that are outside of its direct control. The Group expects that in the future it could 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.

Additionally, PAI relies on the provision of certain platform services from suppliers with considerable negotiating leverage and whose services are provided on their standard commercial terms. The standard terms of such suppliers are not typically subject to negotiation and PAI may be subject now and in the future to terms which are less than favourable than might be anticipated and would ideally be the case, for example in relation to such suppliers' or PAI's liability for breach of contract. If for any reason either PAI or a supplier were to be in breach of any of those terms then the financial and operational consequences for PAI could be severe and have a material adverse impact on the operations, financial condition and outlook of the Enlarged Group.

### **Reliance on third-party social media data sources connected through Pri0r1ty's APIs**

The adverse effects of any social media third-party service interruptions and as such the data sources connected through PAI's APIs, 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 is required to ensure compliance with data protection regulations**

The Group is subject to a number of laws relating to privacy and data protection, including UK GDPR and the United Kingdom Data Protection Act 2018 as amended and any equivalent data protection laws in the jurisdictions in which its customers and suppliers operate. Whilst, following a review, no material risks with respect to the Group's compliance with data protection laws have been identified to date, given the Company is at an early stage of development and has only operated a trading business for a brief period, the Company's policies, procedures and processes are continuing to be updated. Accordingly, there is a risk that there could be non-material gaps in the Company's compliance with data protection laws and that steps may be required to be taken to fill those gaps. The Company intends to carry out full data protection reviews on a periodic basis in conjunction with legal advisers in order to ensure that any deficiencies in the Company's compliance with data protection laws are remedied and/or resolved. To date, there have been no assertions or allegations of non-compliance with data protection laws from data subjects, processors, the Information Commissioners Office or other third parties, including no complaints, claims, threatened claims and/or communications with the Information Commissioners Office. Any data breach by the Company, or any failure to comply with relevant data protection laws, including any historic non-compliance, may, amongst other things, result in significant fines from the UK Information Commissioner's Office or other regulators and/or claims brought against the Company by affected third parties, which could potentially have a material adverse effect on its reputation, business, prospects, results of operation and financial condition.

### **The Group's compliance with the European Union's Artificial Intelligence Act (Regulation 2024/1689) and potential UK legislation of AI**

The Group currently will be using artificial intelligence ("AI") system(s) in the UK only. Currently, there is no equivalent legislation in the UK of the AI Act. However, in November 2024 the UK's Department for Science, Innovation and Technology (**DSIT**) released *AI Management Essentials*<sup>[1]</sup> (**AIME**): a draft tool for ensuring

[1] See [https://assets.publishing.service.gov.uk/media/672a5706094e4e60c466d19f/AI\\_Management\\_Essentials\\_tool\\_Self-Assessment.pdf](https://assets.publishing.service.gov.uk/media/672a5706094e4e60c466d19f/AI_Management_Essentials_tool_Self-Assessment.pdf).

organisations, particularly smaller ones, are managing the development and use of AI appropriately. Although this tool is in consultation mode until 29 January 2025, it provides a good distillation of the UK government's direction of travel in terms of responsible development and use of AI. According to the UK government, this tool seeks to implement the principles of the AI Act.

Therefore, there is a risk that the UK implements legislation equivalent to the AI Act; as such, the Company may then have to comply with additional compliance and reporting obligations. It is also a possibility that the UK introduces legislation which does not follow the requirements of the AI Act and therefore the Enlarged Group could have to contend with two different AI regimes thereby increasing its regulatory and compliance burden. Any new UK legislation will likely have generous timescales for implementation, akin to model adopted under the AI Act.

Given PAI's current focus in the UK only, it does not currently trigger the extraterritorial scope of the AI Act. However, as the Group expands, or indeed should it expand into the EU, it could then be caught by the requirements of the AI Act which would again add additional compliance and reporting obligations for the Group given the requirement for PAI to carry out a full EU AI Act compliance project. Furthermore, there is a risk that PAI's customers (although based in the UK) could use PAI's AI chatbot product within the EU and there is a risk that, PAI would be caught by the scope of the AI Act. Were it to be caught, PAI's current product would not be considered banned or high risk under the AI Act and the associated compliance activities would largely concern record keeping and transparency.

Separately, there have been increasing ethical and social concerns around AI, specifically in relation to discrimination and inequality, as AI systems can sometimes make biased or discriminatory decisions, reflecting the biases present in the data they were trained on. This can lead to unfair treatment of certain groups or perpetuate societal inequalities. These issues could be addressed by policymakers in the short or medium term which in turn could potentially translate into costs and affect the financial position of the Group.

### **Risk related to intellectual property and security breaches**

The ownership and protection of AI-related intellectual property, including algorithms and models, can be complex. Although its software is not patent-protected, the Group protects the intellectual property rights in its software by relying on legislative and other legal protections, as well as contractual restrictions such as non-disclosure and confidentiality provisions and incentivisation to retain key staff. Priority will continually evaluate the requirements for trademark, copyright and patent protection with respect to its intellectual property assets against the related costs and reasonable necessity of obtaining them.

As a company that will be heavily reliant on its software to generate revenue, there is the risk that if the algorithm and model are leaked or accessed by unauthorised parties, it could lead to intellectual property theft, the compromise of proprietary information, and loss of competitive advantage should PAI have such. Leaked algorithms and models could also enable malicious actors to identify vulnerabilities and exploit them, potentially leading to further security breaches or attacks. The consequences of these leaks could be severe, including financial losses, reputational damage, loss of trust among customers and partners, and potential legal actions.

### **Risks relating to data quality and data privacy**

Data is the cornerstone upon which AI models are built and trained. The accuracy, completeness, and relevance of the training data are critical to the performance of AI models. Poor data quality, such as missing, inaccurate, or noisy (or meaningless) data, can lead to unreliable predictions and unexpected model behaviour. If an AI system learns from incomplete or incorrect data, it might make incorrect decisions in real-world scenarios.

Furthermore, AI requires access to large amounts of data, which can include sensitive personal information, if not properly secured, this data can be vulnerable to breaches, leading to privacy violations and potential legal consequences which could translate into reputational damage and affect the financial position of the Group.

In particular, the Group will store some personally identifiable information of its customers and is subject to data protection and privacy regulations such as the General Data Protection Regulation (EU) 2016/679 (the "GDPR"). The GDPR, which came into force on 25 May 2018, implemented more stringent operational requirements for the Group's use of personal data. These more stringent requirements include expanded



disclosures to the Group's customers in respect of how it may use their personal data and increased rights for customers to access, control and delete their personal data. In addition, there are mandatory data breach notification requirements and significantly increased penalties of the greater of €20 million or 4 per cent. of global turnover for the preceding financial year.

### **Risks relating to software development**

Some of the Group's activities, including software development, may require third parties to provide contracting services. There can be no assurance that these new business relationships will be successfully formed or will continue to be maintained. A breach or disruption in these relationships or failure to engage contractors could be detrimental to the future business, operating results and/or profitability of the Group. Software development is complex; the developed software may contain design defects or errors that are not detected until after its release. The Group's business would be harmed if such defects caused its users to believe the its products are defective and could adversely affect the market's perception of the Group and potentially lead to a reduction in users.

PAI's platform contains third-party open-source software components, and failure to comply with the terms of the underlying open source software licences could restrict its ability to sell its platform. The use and distribution of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Many of the risks associated with use of open source software cannot be eliminated and could negatively impact the Group's business, results of operations, financial condition and prospects. Some open source licences contain requirements that the Group makes available source code for modifications or derivative works that it creates based upon the type of open source software used. If the Group combines its proprietary software with open source software in a certain manner, it could, under certain open source licences, be required to release the source code of its proprietary software to the public (potentially for no charge), including authorising further modification and redistribution, or otherwise be limited in the licensing of its services, each of which could provide an advantage to the Group's competitors or other entrants to the market, create security vulnerabilities in its solutions, requiring the Group to re-engineer all or a portion of its AI platform, and could reduce or eliminate the value of the services provided.

This would allow the Group's competitors to create a similar platform with lower development effort and time and ultimately could result in a loss of sales for the company. It cannot be assured that the Group's processes for controlling the use of open source software in its platform will be effective. From time to time, the Group may face claims from third parties asserting ownership of, or demanding release of, the open source software or derivative works that it developed using such software (which could include proprietary source code), or otherwise seeking to enforce the terms of the applicable open source licence. These claims could result in litigation. Litigation could be costly for the Group to defend, have a negative effect on results of operations and financial condition or require it to devote additional research and development resources to change its solutions. Responding to any infringement or non-compliance claim by an open source vendor, regardless of its validity, discovering certain open source software code in the Group's AI platform, or a finding that it has breached the terms of an open source software licence, could, among other things result in time-consuming and costly litigation, divert management's time and attention from developing the business, require the Group to pay monetary damages or enter into royalty and licensing agreements that it would not normally find acceptable and cause delays in the deployment of its AI platform offerings to customers. Any of these outcomes may result in harm to the Group's business, results of operations, financial condition and prospects.

### **The Company is subject to various risks which may not be adequately insured**

There can be no guarantee that the Company has insurance cover that is adequate to meet the Company's risk and expenses or sufficient to recover all losses that the Company may suffer. In addition, certain types of risk may be, or may become, either uninsurable or not economically insurable or may not be currently or in the future covered by the Company's insurance policies. In addition, even if a loss is incurred, the Company may be required to pay a significant excess on any claim for recovery of such loss before the insurer is obligated to reimburse the Company for the loss, or the amount of the loss may exceed the Company's coverage for the loss. Any of the foregoing could have a material adverse impact on the Company's business, results of operation and financial condition.

## **Litigation risk**

The Company's success largely depends on its ability to use and develop its technology without infringing the intellectual property rights of third parties, including patents, copyrights, trade secrets and trademarks. The Company may be subject to litigation involving claims of patent infringement or violation of other intellectual property rights of third parties. The Company may be the target of so-called "patent trolls", companies that do not manufacture or sell products and whose sole activity is to assert patent rights against accused infringers in an attempt to collect licensing fees. In addition, the Company licences and utilises certain "open source" software as part of its solutions offering. An author or another third party that distributes such third party or open source software could allege that the Company had not complied with the conditions of one or more of these licences.

Any such claims, regardless of merit, could result in litigation, which could result in substantial expenses, divert the attention of management, cause significant delays, materially disrupt the conduct of the business and negatively impact the Company's business, results of operations, financial condition and prospects. As a consequence of such claims, the Company could be required to pay substantial damages (including to its customers), develop non-infringing technology, enter into royalty-bearing licensing agreements, stop selling some or all of its products or re-brand certain products. If it appears necessary, the Company may seek to license the intellectual property which the Company is alleged to have infringed, potentially even if the Directors believe such claims to be without merit. However, such licencing agreements may not be available on acceptable terms, or at all. If the Company cannot obtain required licences, or if existing licences are not renewed, litigation could result. Litigation is inherently uncertain and any adverse decision could result in a loss of proprietary rights, subject the Company to significant liabilities, require the Company to seek licences from others and otherwise negatively impact the Company's business, results of operations, financial condition and prospects.

## **Growth Risk**

There can be no guarantee that the Group will be able to effectively manage the growth of its operations or that its current personnel, systems, procedures and controls will be adequate to support the overall operations. Any failure of the Board to effectively manage the Group's growth and development may have material adverse effects on its business, financial condition, results and/or future operations. There is no certainty that all, or indeed any, of the elements of the Group's current strategy will develop as anticipated and that the Company will be profitable at a future stage.

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

### **Dilution of Shareholders' interests as a result of additional equity fundraising**

Whilst it is the opinion of the Directors that the Group's working capital is sufficient for its present requirements, further funding may be required by the Company to develop its business model and commercial activities. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to Ordinary Shares. The Company may issue Ordinary Shares as consideration for acquisitions or investments, which would result in a dilution of Shareholders' respective shareholdings. Equity issues may result in a change of control of the Company. Alternatively, the Ordinary Shares may be acquired by a strategic purchaser. The acquisition price may not reflect the underlying value of the assets controlled by the Company.

### **Share price volatility and liquidity**

AIM is a trading platform designed principally for growth companies and, as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Official List or some other stock exchanges. Following Admission, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, will be maintained. The Ordinary Shares may therefore be subject to large price fluctuations on small volumes of shares traded. As a result, an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the

Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment. The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are general or market specific, others of which are sector specific and others of which are specific to the Company and its operations. These factors include, without limitation: (i) the performance of the overall stock market; (ii) large purchases or sales of Ordinary Shares by other investors; (iii) financial and operational results of the Company; (iv) changes in research analysts' recommendations and any failure by the Company to meet the expectations of research analysts; (v) changes in legislation or regulations and changes in general economic, political or regulatory conditions; and (vi) other factors which are outside of the control of the Company.

Shareholders may sell their Ordinary Shares in the future to realise their investment. Sales of substantial amounts of Ordinary Shares following Admission and/or termination of the existing lock-in restrictions (the terms of which are summarised in paragraphs 12.13 and 12.15 of Part VI of this Document), or the perception that such sales could occur, could materially adversely affect the market price of the Ordinary Shares.

There can be no guarantee that the price of the Ordinary Shares will reflect their actual or potential market value or the underlying value of the Company's net assets and the price of the Ordinary Shares may decline below the Issue Price. Shareholders may be unable to realise their Ordinary Shares at the quoted market price or at all.

### **Investment risk**

An investment in a quoted company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time or to lose their investment principal. While various investment opportunities are available, potential investors should consider the risks that pertain to the sector in which the Company operates.

### **Market perception**

Market perception of the Company may change, potentially affecting the value of investors' holdings of Ordinary Shares and the ability of the Company to raise funds by the issue of further Ordinary Shares or otherwise. Negative perceptions of the Company's competitors may result in negative market perception of the industry as a whole, which would have an adverse effect on the price of the Ordinary Shares as well as the Company's ability to raise further funds either publicly or privately.

### **Determination of Issue Price**

Placees and Subscribers will commit to subscribe for or purchase the Ordinary Shares at the Issue Price, which is a fixed price, prior to satisfaction of all conditions for the Ordinary Shares to be issued. The Issue Price may not accurately reflect the trading value of the Ordinary Shares when issued, the Company's potential earnings or any other recognised criteria of value.

### **The Company may apply the proceeds of the Fundraise to uses that Shareholders may not agree with and may make investments or incur expenditure that fail to produce income or capital growth or that lose value**

The Company will have considerable discretion in the application of the Net Proceeds of the Fundraise and Shareholders will need to rely on the judgement of the Directors regarding the application of such proceeds. The Company's allocation of the Net Proceeds is based on current plans and business conditions. The amounts and timing of any expenditure will vary depending on the amount of cash generated by the Company's operations and competitive and market developments, among other factors.

### **Dilution**

If the Company were to offer equity securities for sale in the future, Shareholders not participating in these equity offerings may become diluted and pre-emptive rights may not be available to certain Shareholders.



The Company may also in the future issue Ordinary Shares, warrants and/or options to subscribe for new Ordinary Shares and other convertible securities, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options and other convertible securities may also result in dilution of the shareholdings of other investors. In addition, the exercise of the warrants described in Part VI of this Document would result in additional dilution for the Shareholders.

### **Legislation and tax status**

Any change in taxation legislation or the interpretation of taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this Document concerning the taxation of investors in the Ordinary Shares are based on current tax law and practice in the UK and other jurisdictions, which are subject to change. The taxation of an investment in the Company depends on the individual circumstances of the relevant investor.

This Document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation of them. Such interpretation may not be correct, and it is always possible that legislation, regulation, rules and practices may change. Any change in legislation or regulation and, in particular the tax status or tax residence of the Company or specific tax legislation or practice pertaining to the Company, may have an adverse effect on the returns available on an investment in the Company. There can be no assurance that future legislation, rules and practice will not adversely affect the Company's business, prospects, results of operations and/or financial condition.

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

The Company cannot assure investors that it will always retain a quotation on AIM. If it fails to retain such a quotation, 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 quotation on another exchange in addition to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

### **Economic, political, judicial, administrative, taxation or other regulatory factors**

The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Company may operate and hold its assets, as well as other unforeseen matters, including, but not limited to, labour unrest, civil disorder, war or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Whilst the Company will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Company's activities may be adversely impacted by economic or political factors, such as the imposition of additional taxes and charges, cancellation or suspension of licences, permits or consents, expropriation, war, terrorism, insurrection and changes to laws governing AI.

In particular, the Company's growth could involve increasing trading activity in a wide range of territories. This may play a fundamental part in the Company's strategy and business plan. Some jurisdictions might pose a higher regulatory burden, including regulatory permissions for the Company to operate and more stringent data protections regulations. If the Company is unable to trade (for any of these reasons) in these territories, then this could detrimentally impact the Company's performance in the future by reducing the profit available due to lower revenue and/or increased costs.

Additionally, ongoing management and operational costs will be denominated in British pounds sterling. However, the Company's growth prospects include increasing trading activity in a wide range of territories. The Company may therefore be exposed to ongoing currency risk. Consequently, changes in the exchange rates of these currencies may negatively affect the Company's cash flows, operating results or financial condition to a material extent. The Company does not intend to hedge its cash resources against risks associated with disadvantageous movements in the currency exchange rates for the time being. Therefore, currency exchange rate fluctuations may negatively affect the Company.

### **Overseas Shareholders may be subject to exchange rate risks**

The Ordinary Shares are, and any dividends to be paid on them will be, denominated in pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

### **Dividends**

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid and at present, there is no intention to pay a dividend. At present, the Company's dividend policy is that all funds available for distribution should be reinvested in the business of the Company.

***The risks noted above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.***

***There may be special risks if an investor holds Ordinary Shares in certain jurisdictions. At this time, the Company does not intend to make accommodations regarding its financial information to assist any holders with their tax obligations.***

***The investment described in this document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under the FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to him.***

## PART III (A)

### HISTORICAL FINANCIAL INFORMATION OF ALTERATION EARTH PLC (the “Company”)

The Historical Financial Information of Alteration Earth PLC (the “Company”) has been incorporated by reference outlined below.

- **Unaudited interim results for the 6 months ended 31 March 2024:**
  - <https://data.fca.org.uk/artefacts/NSM/RNS/5168269.html>
- **Annual Report and Accounts for the period ended 30 September 2023:**
  - <https://data.fca.org.uk/artefacts/NSM/Portal/NI-000088057/NI-000088057.pdf>
- **Unaudited interim results for the 6 months ended 31 March 2023:**
  - <https://data.fca.org.uk/artefacts/NSM/RNS/4747939.html>
- **Annual Report and Accounts for the period ended 30 September 2022:**
  - <https://data.fca.org.uk/artefacts/NSM/RNS/4624762.html>

## PART III (B)

### ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PRIOR1TY AI LTD

The Directors  
Alteration Earth Plc  
C/O Keystone Law  
48 Chancery Lane  
London  
WC2A 1JF

The Directors  
Beaumont Cornish Limited  
Ninth Floor, Landmark  
St Peter's Square  
1 Oxford Street  
Manchester  
M1 4PB

20 December 2024

Dear Sirs,

#### **PriOr1ty Ai Ltd (“the Group”)**

We report on the historical financial information of the Group set out in Section Part III (C) of Alteration Earth Plc's Admission Document dated 20 December 2024 (the “Admission Document”) for the period from incorporation, 27 October 2023 to 30 June 2024.

#### **Opinion on Historical Financial Information**

In our opinion, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 30 June 2024 and of its results, cash flows and changes in equity for the period then ended in accordance with UK adopted International Financial Reporting Standards (“UK IFRS”).

#### **Responsibilities**

The Directors of Alteration Earth Plc (the “Directors”) are responsible for preparing the financial information in accordance with UK IFRS.

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

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies (the “AIM Rules”) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person other than the addressees of this letter 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.

#### **Basis of Preparation**

This historical financial information of the Group has been prepared for inclusion in the Admission Document on the basis of preparation and accounting policies set out in note 2 to the historical financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purposes of complying with the AIM Rules and for no other purpose.

### **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 Pri0r1ty AI Ltd in accordance with the Financial Reporting Council's Ethical Standard 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 historical financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the historical 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 historical 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 other jurisdictions 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 have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Group to continue as a going concern for a period of at least twelve months from the date of the Admission Document. Accordingly, the use by the Directors of the going concern basis of accounting in the preparation of the historical financial information is appropriate.

### **Declaration**

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

Yours faithfully,

### **HaysMac LLP**

10 Queen Street Place  
London  
EC4R 1AG

## PART III (C)

### HISTORICAL FINANCIAL INFORMATION OF PRIOR1TY AI LTD

#### Consolidated statement of comprehensive income For the period from incorporation to 30 June 2024

	<i>Note</i>	<i>Period from 27 Oct 2023 to 30 June 2024 £</i>
Other income		–
Administrative expenses	3	(369,162)
<b>Operating loss</b>		<u>(369,162)</u>
<b>Loss before taxation</b>		–
Taxation on profit on ordinary activities	5	–
<b>Loss for the period</b>		<u>(369,162)</u>
Other comprehensive income		–
<b>Total comprehensive loss for the period attributable to shareholders of the Group</b>		<u><u>(369,162)</u></u>
Earnings per share (basic and diluted) attributable to the equity holders (pence)	6	(0.27)

The notes form an integral part of this Historical Financial Information

**Consolidated statement of financial position**  
**As at 30 June 2024**

	<i>Note</i>	<i>As at 30 June 2024 £</i>
<b>NON-CURRENT ASSETS</b>		
Intangible assets	7	540,000
<b>TOTAL NON-CURRENT ASSETS</b>		<u>540,000</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	9	31,334
Cash and cash equivalents	8	75,364
<b>TOTAL CURRENT ASSETS</b>		<u>106,698</u>
<b>TOTAL ASSETS</b>		<u>646,698</u>
<b>EQUITY</b>		
Share capital	11	181,000
Share premium	11	729,000
Retained earnings		(369,162)
<b>TOTAL EQUITY</b>		<u>540,838</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	10	105,860
<b>TOTAL CURRENT LIABILITIES</b>		<u>105,860</u>
<b>TOTAL LIABILITIES</b>		<u>105,860</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>646,698</u></u>

The notes form an integral part of this Historical Financial Information

**Consolidated statement of changes in equity**  
**For the period from incorporation to 30 June 2024**

	<i>Share capital</i> £	<i>Share premium</i> £	<i>Retained earnings</i> £	<i>Total equity</i> £
Loss for the period	–	–	(369,162)	(369,162)
<b>Total comprehensive income for the period</b>	–	–	(369,162)	(369,162)
<b>Transactions with owners in own capacity</b>				
Ordinary Shares issued in the period	181,000	729,000	–	910,000
Share issue costs	–	–	–	–
Transactions with owners in own capacity	181,000	729,000	–	910,000
<b>Balance at 30 June 2024</b>	<u>181,000</u>	<u>729,000</u>	<u>(369,162)</u>	<u>540,838</u>



**Consolidated statement of cashflows**  
**For the period from incorporation to 30 June 2024**

	<i>Period ended</i> <i>30 June 2024</i>
	£
	<i>Notes</i>
<b>Cash flow from Operating Activities</b>	
Loss for the period	(369,162)
<i>Adjustments for:</i>	
Share based payments	60,000
<i>Changes in working capital:</i>	
Increase in other current assets	(31,334)
Increase in trade and other payables	55,860
<b>Net cash used in operating activities</b>	<u>(284,636)</u>
<b>Cash flow from Investing activities</b>	
Purchase of intangible asset	<u>(50,000)</u>
<b>Net cash used in investing activities</b>	<u>(50,000)</u>
<b>Cash flows from Financing Activities</b>	
Proceeds from issuance of ordinary shares	<u>410,000</u>
<b>Net cash generated from financing activities</b>	<u>410,000</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	75,364
Cash and cash equivalents at beginning of period	<u>–</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>75,364</u></u>

**Material Non-Cash Transactions:**

- £440,000 shares were issued as consideration for the purchase of intangible assets; and
- £60,000 of payables was settled via the issue of shares.

The notes form an integral part of the Historical Financial Information

## **1. GENERAL INFORMATION**

The Company was incorporated on 27 October 2023 in England and Wales with Registered Number 15241564 under the Companies Act 2006. The principal activity of the Company is the development of software harnessing AI capabilities.

The address of its registered office is 6b Blackbird Yard, London, United Kingdom, E2 7RP.

The Directors of the Company are responsible for the Historical Financial Information and contents of the AIM admission document in which it is included.

## **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 Historic Financial Information of Priority AI Ltd for the period ended 30 June 2024 has been prepared in accordance with UK-adopted International Accounting Standards ('IFRS'). The Historical Financial Information presents the results for the Group for the period from 27 October 2023 to 30 June 2024. There was no comparative period.

The Historic Financial Information has been prepared under the historical cost convention.

The Historic Financial Information has been prepared for the sole purpose of publication within the Admission Document. It has been prepared in accordance with the requirements of the AIM Rules and UK adopted International accounting standards. The Historic Financial Information has been prepared using the measurement bases specified by IFRS 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.

The Historic Financial Information is presented in £ unless otherwise stated, which is the Company's functional and presentational currency.

### **2.2 Basis of consolidation**

The consolidated historical financial information incorporates the financial information of PAI and entities controlled by the Company (its subsidiaries, the "Group") made up to 30 June each year as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated historical financial information incorporates the results of subsidiaries when the Company obtains control over a subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary, at which point they are deconsolidated.

For the period ended 30 June 2024, the Company owned interests in the following subsidiary undertakings, which are included in the consolidated historical financial information:

<i>Name</i>	<i>Registration number</i>	<i>Incorporation date</i>	<i>Holding</i>	<i>Business activity</i>	<i>Country of incorporation</i>	<i>Registered address</i>
PriOr1ty Holdings Limited	15217791	17 October 2023	100%	Dormant	England & Wales	6b Blackbird Yard, London, England, E2 7RP
PriOr1ty Limited	15274875	10 November 2023	100%	Dormant	England & Wales	6b Blackbird Yard, London, England, E2 7RP

### 2.3 **New standards, amendments and interpretations adopted**

The Company has adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 1 January 2023.

### 2.4 **New standards and interpretations adopted**

The Group has adopted the below standards, amendments or interpretations for the first time for its Historical Financial Information commencing 27 October 2023 which do not have a material impact on the Group:

<i>Standard</i>	<i>Effective Date</i>
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 12 International Tax Reform: Pillar Two Model Rules	1 January 2023
IFRS 17 Insurance contracts	1 January 2023

At the date of approval of these Historical Financial Information, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

<i>Standard</i>	<i>Effective Date</i>
Amendments to IAS 1 – Classification of Liabilities as Current or Non Current	1 January 2024
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025

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.

### 2.5 **Going concern**

The Historic Financial Information has been prepared on a going concern basis, which assumes that the consolidated group will have access to sufficient liquid resources to enable them to continue in operational existence for the foreseeable future and not less than twelve months from the date of signing this report. This assumption is based on the completion of its initial public offering (“IPO”) and Admission to the Alternative Investment Market (AIM) segment of the London Stock Exchange.

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 18 months and the Historic Financial Information does not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

## 2.6 Segment reporting

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

All operations and information are reviewed together so that at present there is only one reportable operating segment.

## 2.7 Foreign currency translation

### ***Functional and presentation currency***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

### ***Transactions and balances***

Transactions denominated in a foreign currency are translated into the presentational currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the presentational 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.

## 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, with banks and other financial institutions.

## 2.10 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 90 days. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## 2.11 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals and accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

## 2.12 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.

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 profit or loss.

(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. 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.

**2.13 Equity**

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

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

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

**2.14 Earnings per share**

Basic earnings per share is calculated as profit or loss attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

**2.15 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 is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax represents the future tax consequences of transactions and events recognised in the Historic Financial Information of current and previous periods, and arises from 'temporary differences'. Deferred tax is recognised in respect of all temporary differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of the temporary differences.

**2.16 Critical accounting judgements and key sources of estimation uncertainty**

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The following is the critical judgement the Directors have made in the process of applying the Group's accounting policies.

There are no critical accounting judgements or key sources of estimation uncertainty applicable to this Historical Financial Information.

### 3. EXPENSES BY NATURE

Operating loss from continued operations for the period ended 30 June 2024 can be broken down as follows:

	<i>Period ending 30 June 2024</i>
	£
Consulting and advisory fees	169,016
Directors remuneration	80,111
Insurance expense	318
Accounting fees	60,217
Office expenses	6,077
Legal fees	24,000
Advertising & Marketing	23,721
Travel expenses	1,130
Bank charges	444
Other expenses	4,128
	<u>369,162</u>

### 4. EMPLOYEES

The Group had 2 employees during the period. The average number of employees for the period was 2. All employees of the Group during the period were Directors who were engaged via service contracts. Please see below for further details. There were no other staff in the period.

	<i>Period ending 30 June 2024</i>
	£
Director fees	80,111
	<u>80,111</u>

### 5. TAXATION

No liability to incomes taxes arise in the year.

	<i>Period ending 30 June 2024</i>
	£
A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:	
<b>Loss for the period</b>	369,162
Tax charge at the standard rate of corporation tax in UK of 25%	(92,290)
Tax effects of:	
Expenses not deductible for tax purposes	–
Tax losses for which no deferred income tax asset was recognised	92,290
	<u>–</u>
Income tax charge for the period	<u>–</u>

Estimated tax losses of £369,162 are available for relief against future profits and a deferred tax asset of £92,290.

Deferred tax assets carried forward have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.



## 6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<i>Period ending 30 June 2024</i>
	£
Loss attributable to equity holders of the Company	(369,162)
Weighted number of ordinary shares in issue	<u>137,919,028</u>
<b>Basic and dilutive earnings per share from continuing operations – pence</b>	<u>(0.27)</u>

There is no difference between the diluted loss per share and the basic loss per share presented due to the fact that there are no other equity instruments in issue at the period end.

## 7. INTANGIBLE ASSET

	<i>Technology &amp; IP</i>	<i>Total</i>
	£	£
<b>Cost</b>		
At 27 October 2023	–	–
Acquired through asset acquisition	<u>540,000</u>	<u>540,000</u>
At 30 June 2024	<u>540,000</u>	<u>540,000</u>
<b>Amortisation</b>		
At 27 October 2023	–	–
Amortisation	–	–
Impairment Charge	–	–
At 30 June 2024	<u>–</u>	<u>–</u>
<b>Carrying value</b>		
<b>At 30 June 2024</b>	<u><u>540,000</u></u>	<u><u>540,000</u></u>

During this period, the Company acquired an intangible asset from Sports Media Ventures Ltd. Refer to note 21 for further details.

At 30 June 2024, the Group performed its annual impairment test on its acquired IP & Technology asset and identified no indicators of impairment in line with IAS 36 “Impairment of Assets.” The asset is fully operational and continues to provide significant strategic value to the Group. At the test date, it was determined given the product is pre-revenue, there was insufficient evidence to estimate a value-in-use based on discounted future cash flows from the asset.

The Group has determined that the asset has an indefinite useful life for the following reasons:

- There are no legal, regulatory, or contractual factors that would limit the period during which the software can be used;
- The software is regularly updated and maintained, ensuring its relevance and effectiveness over the long term;
- The Group intends to continue using the software and it is forecasted to generate revenues for the Group indefinitely.

These factors support the assessment that the software has an indefinite useful life, which will be reviewed annually to ensure it remains appropriate.”

Accordingly, the Group has concluded that the estimated recoverable amount of the asset exceeded the carrying amount, and therefore, no impairment was identified.

## 8. CASH AND CASH EQUIVALENTS

	<i>As at</i>
	<i>30 June 2024</i>
	£
Cash at Bank	75,364
	<u>75,364</u>

## 9. OTHER CURRENT ASSETS

	<i>As at</i>
	<i>30 June 2024</i>
	£
Prepayments	18,334
Director loan	13,000
	<u>31,334</u>

## 10. TRADE AND OTHER PAYABLES

	<i>As at</i>
	<i>30 June 2024</i>
	£
Trade creditors	32,700
Other payables	73,160
	<u>105,860</u>

## 11. SHARE CAPITAL AND PREMIUM

	<i>Number of shares Number</i>	<i>Ordinary shares £</i>	<i>Share premium £</i>	<i>Total £</i>
On incorporation <sup>1</sup>	100,000,000	100,000	–	100,000
Consideration shares <sup>2</sup>	40,000,000	40,000	360,000	400,000
Shares issued in lieu of services <sup>3</sup>	6,000,000	6,000	54,000	60,000
Proceeds from shares issued <sup>4</sup>	35,000,000	35,000	315,000	350,000
Share Issue Costs	–	–	–	–
<b>Balance at 30 June 2024</b>	<u>181,000,000</u>	<u>181,000</u>	<u>729,000</u>	<u>910,000</u>

- 100,000,000 shares were issued at £0.001 nominal value at incorporation of the Company. £40,000 of these shares were also issued to the Directors of Sports Media Ventures for the acquisition of the intellectual property.
- 40,000,000 shares at £0.01 were issued for the acquisition of the intellectual property held by Sports Media Ventures – Refer to note 7 for further information.
- 6,000,000 shares at £0.01p were issued to consultants in lieu of cash payment for services provided.
- 35,000,000 shares were issued at £0.01 for total consideration of £350,000.

The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

The par value of ordinary shares is £0.001 per share. All issued shares are fully paid.

## 12. WARRANTS

	<i>As at 30 June 2024</i>	
	<i>Weighted average exercise price</i>	<i>Number of warrants</i>
Brought forward	–	–
Granted in year	£0.01	100,000,000
Vested in year	£0.01	100,000,000
Outstanding at 30 June 2024	£0.01	100,000,000
Exercisable at 30 June 2024	£0.01	100,000,000

The weighted average time to expiry of the warrants as at 30 June 2024 is 4.5 years.

## 13. CAPITAL MANAGEMENT POLICY

The Directors' objectives when managing the Group's capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital and reserves.

## 14. FINANCIAL INSTRUMENTS

The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset and equity instrument are set out in Note 2.11 to the Historic Financial Information. The Company does not use financial instruments for speculative purposes.

## 15. FINANCIAL RISK MANAGEMENT

The Directors use a limited number of financial instruments, comprising cash and other receivables, which arise directly from the Company's initial operations. The Group does not trade in financial instruments.

## 16. FINANCIAL RISK FACTORS

The Group as a non-trading entity has had limited financial risks during the period. The Directors' overall risk management programme focuses on the maintenance of adequate cash to fulfil the working capital requirements of the Company.

### Fair values

The Directors assessed that the fair values of the other payables approximate their carrying amounts.

## 17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	<i>Financial assets at amortised cost</i>	<i>Financial liabilities at amortised cost</i>	<i>Total</i>
	£	£	£
<b>Financial assets / liabilities</b>			
Cash and cash equivalents	75,364	–	75,364
Other current assets	8,000	–	8,000
Trade and other payables	–	(105,860)	(105,860)
	<u>83,364</u>	<u>(105,860)</u>	<u>(22,496)</u>

## **18. CAPITAL COMMITMENTS**

There are no capital commitments at 30 June 2024.

## **19. CONTINGENT LIABILITIES**

There are no contingent liabilities as at 30 June 2024.

## **20. COMMITMENTS UNDER OPERATING LEASES**

There were no commitments under operating leases at 30 June 2024.

## **21. RELATED PARTY TRANSACTIONS**

### **Purchase of intangible asset**

During this period, the Company acquired an intangible asset from Sports Media Ventures Ltd., a company affiliated with James Sheehan and Daniel Gee, for a total consideration of £500,000. The payment was structured as follows: the Company issued 40,000,000 ordinary shares at £0.001 each, amounting to £400,000, to the seller, and paid an additional £50,000 in cash. The remaining £50,000 is contingent upon the successful listing on AIM. Furthermore, the Company assumed liabilities totalling £40,000, with £20,000 owed to The Equities Exchange, a company related to James Sheehan, and £20,000 owed to Daniel Gee. The £40,000 outstanding was settled via the issue of shares to both parties.

### **Share issue**

During the year Directors James Sheehan was issued an additional 1,500,000 shares at 1p in lieu of services provided.

### **Warrant issue**

As part of the initial seed round Directors Daniel Gee and James Sheehan (via The Equities Exchange Limited) were issued 20,000,000 and 24,300,000 of Founder Warrants. The warrants have a strike price of £.01p and expiry date of 12 December 2028.

## **22. ULTIMATE CONTROLLING PARTY**

In the opinion of the Directors as at the year end and the date of this Historic Financial Information there is no single ultimate controlling party.

## **23. EVENTS AFTER THE REPORTING PERIOD**

On 31 August 2024, the Company issued 33,160,241 pre-RTO shares at 1.66p per share raising £550,460 in gross proceeds.

On 28 November 2024, Pri0r1ty AI Plc deregistered as a PLC and became Pri0r1ty AI Ltd.

It is expected that on 30 December 2024, 100 per cent. of Pri0r1ty AI Ltd will be acquired by Alteration Earth Plc (to be renamed Pri0r1ty Intelligence Group plc) for total consideration of £9,720,000 by way of the issue of 72,000,000 shares of £0.001 each in Pri0r1ty Intelligence Group Plc.

On 20 December 2024, the existing warrant holders agreed to surrender 80 per cent. of the existing warrants held in the Company, together with all and any rights in the surrendered warrants. A total of 80,000,000 warrants were surrendered to the Company.

No other subsequent events noted.

## **PART III (D)**

### **UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP**

Set out below is an unaudited pro forma statement of net assets of the Enlarged Group. The unaudited pro forma statement of net assets has been prepared on the basis set out in the notes below to illustrate the impact of the Acquisition and Placing proceeds as if they had occurred on 31 March 2024.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only, in accordance with item 20.2 of Annex I and items 1 to 6 of Annex II of the Prospectus Rules, and by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results.

The unaudited pro forma statement of net assets is based on:

- the interim net assets of the Company as at 31 March 2024; and
- the consolidated net assets of PriOr1ty AI Ltd as at 30 June 2024 as set out in Part III (C) of this document.

No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 March 2024, being the date of the unaudited interim financial information of the Company and 30 June 2024 being the date of the consolidated historical financial information for PriOr1ty AI Ltd.

The unaudited pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the 2006 Act.

	<i>Net assets for the Company at 31 March 2024<sup>1</sup></i>	<i>Consolidated net assets for PriOr1ty AI Ltd at 30 June 2024<sup>2</sup></i>	<i>Pre-RTO fundraise<sup>3</sup></i>	<i>Acquisition adjustments<sup>4</sup></i>	<i>Placing proceeds net of expenses<sup>5</sup></i>	<i>Unaudited proforma adjusted consolidated net assets of the Enlarged Group</i>
	£	£	£	£	£	£
<b>Non-current assets</b>						
Intangible assets	–	540,000	–	8,628,702	–	9,168,702
<b>Total non-current assets</b>	–	540,000	–	8,628,702	–	9,168,702
<b>Current assets</b>						
Trade and other receivables	13,975	31,334	–	–	–	45,309
Cash and cash equivalents	716,849	75,364	550,460	–	254,450	1,597,123
<b>Total current assets</b>	730,824	106,698	550,460	–	254,450	1,642,432
<b>TOTAL ASSETS</b>	730,824	646,698	550,460	8,628,702	254,450	10,811,134
<b>Current liabilities</b>						
Trade and other payables	70,646	105,860	–	–	–	176,506
<b>Total current liabilities</b>	70,646	105,860	–	–	–	176,506
<b>TOTAL LIABILITIES</b>	70,646	105,860	–	–	–	176,506
<b>NET ASSETS</b>	660,178	540,838	550,460	8,628,702	254,450	10,634,628

#### Notes

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

- (1) The net assets of the Company as at 31 March 2024 have been extracted without adjustment from the unaudited interim financial information.
- (2) The consolidated net assets of PriOr1ty AI Ltd as at 30 June 2024 have been extracted from the historical financial information on PriOr1ty AI Ltd set out in Part III (C) of this document.
- (3) An adjustment has been made to reflect for the issue of 33,160,241 pre-RTO shares in PriOr1ty AI Ltd at 1.66p per share raising £550,460 in gross proceeds.
- (4) A pro forma adjustment has been made to reflect the acquisition of PriOr1ty AI Ltd and its subsidiaries. Total goodwill of £8,628,702 is recognised and of the total consideration of £9,720,000, wholly as share consideration and recognised in equity. The Company will need to determine the fair value of the net assets acquired pursuant to the Acquisition within 12 months of Completion in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise may result in a reduction of goodwill or result in the recognition of a gain on bargain purchase, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors is permissible and appropriate.
- (5) An adjustment has been made to reflect the proceeds of a placing of 6,333,329 Ordinary Shares of the Company at an issue price of 13.5p per Ordinary Shares less any commissions and listing costs.
- (6) No adjustments have been made to reflect the trading or other transactions, other than described above of:
  - 6.1 the Company since 31 March 2024; and
  - 6.2 PriOr1ty AI Ltd since 30 June 2024.
- (7) The pro forma statement of net assets does not constitute financial statements.

## PART IV

### CORPORATE GOVERNANCE

The Directors recognise the value and importance of high standards of corporate governance and from Admission intend, given the Company's size and the constitution of the Board, to comply with the recommendations set out in the QCA Code (as updated in 2023). The QCA Code was devised by the Quoted Companies Alliance, in conjunction with a number of significant institutional small company investors as an alternative corporate finance code applicable to AIM companies and has become a widely recognised benchmark for corporate governance of small and mid-size quoted companies, particularly AIM companies.

*Principle 1: Establish a business purpose and business model which promote long-term value for Shareholders*

The Company's business model, purpose and strategy has been set out as described in Part I of this Document. The Directors believe that the Enlarged Group's business model, purpose and growth strategy will help to promote long-term value for Shareholders, for which the board intends to provide an update on strategy in the Company's future annual report and accounts. The principal risks facing the Group have been set out in Part II of this Document, which include potential risks to the Company's growth and upside potential. The Directors, post Admission, will continue to take appropriate steps and measures in identifying risks and undertake where applicable, any mitigating strategies necessary to manage these risks. This will include any industry and business specific emerging risks as well as relevant legislation and regulatory potential changes and corresponding risks.

*Principle 2: Promote a corporate culture that is based on ethical values and behaviours*

The Board recognises that its decisions regarding strategy and risk will impact the Group's corporate culture and that this could impact its potential performance. The culture is set by the Board which is considered and discussed at meetings, knowing that the tone and values it instils filters into all aspects of the Company and the way that its employees behave. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Company are expected to operate in an ethical manner in all of their internal and external dealings.

Post Admission, the Company will undertake regular reviews and audits in certain specific areas of risk, including anti-bribery, cyber/data risk and whistleblowing. The Group also has a code for directors' and employees' dealings in securities which has been outlined in the Company's Financial Position and Prospects Procedures (FPPP) manual and is in accordance with Rule 21 of the AIM Rules for Companies and UKMAR.

The Directors believe that a long-term sustainable business model is essential for discharging the Board's responsibility to promote the success of the Company, its employees, shareholders and other all stakeholders. In considering the Company's strategic plans for the future, the Directors will proactively consider the potential impact of its decisions on all stakeholders within its business, in addition to considering the broader environmental and social impact as well as the positive impact it can have in which the Company operates.

The Company fully endorses the aims of the Modern Slavery Act 2015 and takes a zero-tolerance approach to slavery and human trafficking within the Group and its suppliers.

*Principle 3: Seek to understand and meet Shareholder needs and expectations*

The Board is committed to, and post Admission actively encourage, effective relationships and communication with Shareholders as well as seeking advice from its nominated adviser Beaumont Cornish and its broker Allenby Capital.

All Shareholders are actively encouraged to participate in, and, if possible, attend, the Company's annual general meetings ("AGM"). The Company will prepare annual report and accounts and a notice of AGM, which will be sent to all Shareholders and will be available for download from the Company's website at [www.pri0r1ty.com](http://www.pri0r1ty.com).



The Company will seek to maintain an active dialogue with Shareholders, who will be kept up to date with its developments by way of announcements made through a regulated news service on matters of a significant substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected deviations to market expectations will be announced through an RIS.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored, and the Company intends to engage, as appropriate, with Shareholders who do not vote in favour of resolutions at AGMs. All contact details for investor relations are included on the Company's website, [www.pri0r1ty.com](http://www.pri0r1ty.com) and all contact details are included on the Company's website.

*Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success*

The Company takes its corporate social responsibilities very seriously and will focus on maintaining effective working relationships across a wide range of stakeholders including shareholders, employees, customers, suppliers and universities. The Directors will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making processes of the business going forward.

*Principle 5: Embed effective risk management, internal controls and assurance activities considering both opportunities and threats, throughout the organisation*

The principal risks facing the Company are set out in Part II of this Document. The Directors will take appropriate steps to identify risks and undertake mitigating strategies in managing these risks following the listing process. A review of these risks will be carried out at least on an annual basis, commentary of which will be included in the Company's annual report and accounts going forward.

The Board has overall responsibility for the determination of the Company's risk management objective and policies which will be overseen by the Audit Committee.

*Principle 6: Establish and maintain the Board as a well-functioning, balanced team led by the Chair*

On Admission, the Board will comprise the Chief Executive Officer, Chief Financial Officer, Non-Executive Chairman and two independent Non-Executive Directors. The Directors' biographies are set out in section 11 of Part I of this Document. The Board considers that it combines a blend of sector and market expertise, with an effective executive management team and appropriate oversight by the Non-Executive Directors, as well as a highly experienced Senior Management.

The Company is satisfied that the current Board is sufficiently resourced to effectively discharge its governance obligations on behalf of all its Shareholders and other stakeholders.

The QCA Code recommends that the Board should comprise a balance of executive and non-executive directors, with at least two non-executive directors being independent. The QCA Code suggests that independence is a board judgement, but where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained. Neither of the Non-Executive Directors is or has been an employee of the Company, has a significant business relationship with the Company, or is a significant shareholder in the Company.

As recommended by the QCA Code guidance, the Non-Executive Directors will not participate in the Company's performance-related remuneration schemes.

*Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities*

The Board will meet regularly, and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties. The Board is also supported by the Audit Committee, and the Remuneration Committee. Given the current size of the Enlarged Group, the Board does not consider there is a need for a separate nominations committee.

This will be reviewed regularly and will be implemented when the Board considers there to be adequate need for one. The Board will have the responsibility for reviewing the structure, size and composition of the Board, give consideration to succession planning and review the leadership needs of the organisation until it is deemed appropriate to implement a nominations committee.

The Board has established two committees; Audit and Remuneration, the terms of which are available for download from the Company's website at [www.pri0r1ty.com](http://www.pri0r1ty.com).

*Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement*

The Directors will consider the effectiveness of the Board, Audit Committee, Remuneration Committee and the individual performance of each Director. The outcomes of performance will be described in the Company's annual report and accounts. The Board considers that the corporate governance policies it has currently in place for Board performance reviews are commensurate with the Company's size and development stage.

*Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture*

The Group believes that its remuneration structure for executives and senior managers is appropriate for a company of its size and current development stage.

*Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other key stakeholders*

Responses to the principles of the QCA Code and the information will be contained in the Group's annual report and accounts going forward as well as on its website, providing details to all stakeholders on how the Company will be governed. The Board has the view that the Company's annual report and accounts as well as its half-year report are key communication channels through which progress in meeting the Company's objectives and updating its strategic targets can be given to Shareholders following Admission. Additionally, the Board will use the AGMs as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Company and its progress.

## **PART V**

### **TAXATION**

#### **Taxation in the UK**

The following information is based on UK tax law and His Majesty's Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her tax position should contact their professional advisor immediately. The tax legislation of an investor's Member State or home country and the Company's country of incorporation may have an impact on the income received from an investment in the Ordinary Shares.

#### **1.1 Tax treatment in the UK**

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Enlarged Group.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Enlarged Group or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

#### **1.2 Dividends**

Where the Enlarged Group pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual and trustee Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Enlarged Group.

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 2024 onwards. There is a dividend allowance of £500 per annum for individuals. Dividends falling within this allowance will effectively be taxed at 0 per cent. but such dividends will still count as taxable income when determining how much of the basic rate band or higher rate band has been used. 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 39.35 per cent. (or dividend income that falls above the tax-free amount (normally £500)). United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

### 1.3 ***Disposals of Ordinary Shares***

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

UK resident individual Shareholders will be subject to capital gains tax to the extent their net gains exceed the annual exempt amount of £3,000, after taking account of any other available reliefs. The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 18 per cent., and 24 per cent. for upper rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

The corporation tax rate applicable to taxable profits is currently 25 per cent. applying to profits over £250,000. A small profits rate applies for companies with profits of £50,000 or less so that these companies pay corporation tax at 19 per cent. Companies with profits between £50,000 and £250,000 pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

### 1.4 ***Stamp duty and stamp duty reserve tax***

No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of Ordinary Shares pursuant to the Placing and Subscription.

There is an exemption from stamp duty and SDRT in respect of securities admitted to trading on certain recognised growth markets, including AIM, and which are not listed on a Recognised Investment Exchange.

The above information is intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

### 1.5 ***Inheritance tax***

Shares in AIM quoted trading companies or a holding company of a trading group may, after a two-year holding period, qualify for Business Property Relief for United Kingdom inheritance tax purposes attracting inheritance tax at 20 per cent. (versus the main rate of 40 per cent.), subject to the detailed conditions for the relief.

**This summary of UK taxation issues can only provide a general overview of these areas and it is not a description of all tax considerations that may be relevant to a decision to invest in the Enlarged Group. The summary of certain UK tax issues is based on the laws and regulations in force as of the date of this Document and may be subject to any changes to UK laws and regulations occurring after such date. Professional advice should be taken with regard to individual circumstances. Any person who is in any doubt as to their taxation position or where they are resident for taxation purposes, or otherwise subject to taxation, in a jurisdiction other than the UK should consult their professional adviser(s) or any other adviser who is suitably qualified.**

## **PART VI**

### **ADDITIONAL INFORMATION**

#### **1. Responsibility statement**

The Directors, whose names appear on page 19 of this Document, and the Company accept responsibility, both individually and collectively, for the information contained in this Document (including any expression of opinion) and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (each of whom have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### **2. Incorporation and status**

- 2.1 The Company was incorporated and registered on 18 August 2021 in England and Wales, where it remains domiciled, with company number 13571750. The Company was incorporated as a public limited company under the CA 2006 with the name Alteration Earth PLC. The Company's principal activity is that of a holding company.
- 2.2 The current legal and commercial name of the Company is Alteration Earth PLC.
- 2.3 The Company's registered office is at 48 Chancery Lane, c/o Keystone Law, London WC2A 1JF. The telephone number of the Company is +44 (0)20 4501 8549. The address of the Company's website is [www.altearthplc.com](http://www.altearthplc.com) (to be [www.priOr1ty.com](http://www.priOr1ty.com) following Admission). The information included on the Company's website does not form part of this Document.
- 2.4 The Company's LEI is 213800TWNMR86AHZ8G84.
- 2.5 The principal legislation under which the Company operates and which the Existing Ordinary Shares have been, and the New Shares will be, issued is the CA 2006 and the regulations made thereunder.
- 2.6 The Company is subject to the CA 2006, the Takeover Code and the AIM Rules for Companies.
- 2.7 The liability of the members of the Company is limited to the amount, if any, unpaid on the Ordinary Shares held by them.
- 2.8 On incorporation of the Company, the accounting reference date of the Company was 31 August. On 2 December 2021, the Company extended its accounting period such that the accounting reference date is 30 September and will remain so on Admission.
- 2.9 The Company has, since the date of its incorporation, operated in conformity with its constitution and with the law of England and Wales.

### 3. The Enlarged Group

3.1 Prior to Admission (which is the final item required for Completion to occur), the Company does not form part of a group structure. Following completion of the Acquisition which will occur concurrent with Admission), PAI will be a direct, wholly-owned subsidiary of the Company. PAI also has two direct, wholly-owned subsidiaries, PriOr1ty Holdings Ltd and PriOr1ty Ltd. Details of PAI and its subsidiaries can be found in the table below:

<i>Name</i>	<i>Share Capital held</i>	<i>Company Number</i>	<i>Parent Company</i>	<i>Place of Incorporation</i>	<i>Principal Activity</i>
PriOr1ty AI Ltd	100%	15241664	The Company	England & Wales	Holding company
PriOr1ty Holdings Ltd	100%	15217791	PAI	England & Wales	Dormant company
PriOr1ty Ltd	100%	15274875	PAI	England & Wales	Holder of intellectual property and other rights and assets

3.2 Save as disclosed in paragraph 3.1 of this Part VI, there are no other subsidiary undertakings.

### 4. Share capital

4.1 The issued and fully paid share capital of the Company (ALTE) at:

The Latest Practicable Date, was as follows:

	<i>Number</i>	<i>Share Capital</i>
Ordinary Shares of £0.003 each	18,000,000	£54,000
<b>Total</b>	<b>18,000,000</b>	<b>£54,000</b>

Admission, will be as follows:

	<i>Number</i>	<i>Share Capital</i>
Ordinary Shares of £0.003 each	96,333,329	£289,000
<b>Total</b>	<b>96,333,329</b>	<b>£289,000</b>

As at the Latest Practicable Date, Warrants in issue were:

<i>Warrant holder</i>	<i>Number of Ordinary Shares subject to Warrant</i>	<i>Exercise price</i>	<i>Date of grant</i>	<i>Exercisable from</i>	<i>Exercisable to</i>
Matthew Beardmore	450,000	£0.003	17 June 2022 (as amended and restated)	Admission	The date falling five years from Admission
Martin Samworth	450,000	£0.003	17 June 2022 (as amended and restated)	Admission	The date falling five years from Admission
Primorus Investments plc	1,800,000	£0.003	17 June 2022 (as amended and restated)	Admission	The date falling five years from Admission
<b>Total</b>	<b>2,700,000</b>				

4.2 Under the terms of the SPA and pursuant to the terms of a warrant instrument (as detailed in paragraphs 12.11 and 12.12 respectively of this Part VI of this Document, the Company has agreed to issue 6,723,940 Consideration Warrants to the holders of the PAI Warrants following Completion.

4.3 Pursuant to the Fundraising and conditional on Admission, and in accordance with and subject to the terms of certain warrant instruments (as detailed in the material contracts section of this Part VI of this Document), the Company has agreed to issue 240,833 BCL Warrants to Beaumont Cornish, as further described in paragraph 12.14 of this Part VI of this Document.

4.4 With effect from Admission, the Company has agreed to issue new Warrants to the following persons:

<i>Warrant holder</i>	<i>Number of Ordinary Shares subject to Warrant</i>	<i>Exercise price</i>	<i>Date of grant</i>	<i>Exercisable from</i>	<i>Exercisable to</i>
Daniel Gee	1,344,787	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
The Equities Exchange Limited*	1,633,917	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
Sebastian Marr	480,762	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
Steven Xerri	672,394	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
Wayne Gibson	480,762	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
DWS Solutions Ltd	131,117	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
Nicholas Josh	480,762	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
First Sentinel Corporate Finance Ltd	480,762	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
Orana Corporate LLP	480,762	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
Steven Bennett	201,718	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
William Holliday	336,197	£0.03	Date of Admission	Vesting Date	Five years from Vesting Date
Beaumont Cornish Limited	240,833	Issue Price	Date of Admission	Date of Admission	Three years from Admission
<b>Total</b>	<b>6,964,773</b>				

\* James Sheehan, a director of the Company, holds an indirect 50 per cent. interest in The Equities Exchange Limited, with the other 50 per cent. owned by Callum Hill.

## 5. Share capital history

5.1 The following changes in the share capital of the Company (ALTE) have taken place between 18 August 2021 (being the date of the Company's incorporation) and 20 December 2024 (being the Latest Practicable Date):

5.1.1 the Company was incorporated with two Ordinary Shares of £0.001 each (being the initial subscriber shares), one each being subscribed for by Matthew Beardmore and Simon Holden (together, the "Initial Shareholders");



- 5.1.2 on 23 November 2021, the Company allotted four Ordinary Shares of £0.001 each, two each being subscribed for by the Initial Shareholders; resulting in the issued share capital of the Company being comprised of six Ordinary Shares of £0.001 each;
- 5.1.3 on 23 November 2021, at a general meeting of the Company, the Company resolved that all Ordinary Shares of £0.001 each be consolidated into new Ordinary Shares of £0.003 each on the basis of one new Ordinary Share for every then three existing Ordinary Shares; resulting in the issued share capital of the Company being comprised of two Ordinary Shares of £0.003 each;
- 5.1.4 on 17 June 2022, the Company allotted, 8,999,998 shares to the certain subscribers; and
- 5.1.5 on 17 June 2022, the Company allotted, 9,000,000 shares to the certain subscribers.
- 5.1.6 Pursuant to an ordinary resolution passed at the annual general meeting of the Company on 25 January 2024, the Directors were generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”) up to an aggregate nominal amount of:
  - £900,000 in connection with any placing of new shares to institutional and other investors in connection with the readmission of the Company’s entire issued share capital on the standard listing segment of the Official List maintained by the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc (“Readmission”); and
  - otherwise than pursuant to the sub-paragraph above, £1,500,000,

provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or 15 months after the passing of this Resolution, whichever is the earlier (unless previously renewed, varied or revoked by the Company at a general meeting), save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

- 5.2 Pursuant to a special resolution passed at the annual general meeting of the Company on 25 January 2024, the Directors were given the general power to allot equity securities (as defined by section 560 CA 2006) for cash as if the pre-emption rights for existing shareholders set out in section 561(1) CA 2006 did not apply to any such allotment. The power is limited to:
  - 5.2.1 the allotment of equity securities in connection with an offer of equity securities:
    - (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary;
  - 5.2.2 the allotment (otherwise than pursuant to the powers to allot referred to in sub-paragraph 5.2.1 above) of equity securities:
    - (i) in connection with, or for the purposes of, the Company’s proposed offering or offerings of Ordinary Shares or other equity securities and Admission (which includes the issue of the Seed Shares and the Subscription Shares);
    - (ii) the allotment of equity securities pursuant to, or in connection with, any right granted before Admission (whether or not such right is expressed to be conditional on Admission);
    - (iii) to the extent (if any) that such an allotment would otherwise be subject to the provisions of section 561(1) of the CA 2006, for the purposes of, in connection with, or resulting from, the Acquisition, the financing of any Acquisition, or the amendment, restatement, cancellation, forgiveness or other restructuring of all or any part of any debt (or other financial obligation) owed or guaranteed by any company or entity acquired by the Company (or by any subsidiary of the Company), or of all or any part of any debt (or

other financial obligation) assumed or entered into or guaranteed by the Company (or by any subsidiary of the Company) in connection with any Acquisition; and

- (iv) up to (and including) a maximum aggregate nominal amount of 500 per cent. of the aggregate nominal value of the Ordinary Shares in issue, such nominal value to be calculated as at the close of the first business day following Admission.

The power granted by this resolution will, unless renewed, varied or revoked by the Company prior to or on such date, expire on 23 November 2026 except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement notwithstanding that the power conferred by this resolution has expired. The resolution revoked and replaced all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the CA 2006 did not apply but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities.

- 5.3 Pursuant to an ordinary resolution passed at the General Meeting on 13 December 2024, the Directors were generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of:

- 5.3.1 £280,000, in respect of the Consideration Shares to be allotted and issued to the PAI Shareholders pursuant to the Acquisition;
- 5.3.2 £20,172, in respect of the Consideration Warrants granted over Shares to the Founder PAI Shareholders pursuant to the Acquisition;
- 5.3.3 £108,000, in respect of the Placing Shares and Subscription Shares to be allotted and issued to those subscribers of the Placing Shares and the Subscription Shares;
- 5.3.4 £732, in respect of the BCL Warrants granted over shares in the Company to BCL pursuant to and conditional on Admission;
- 5.3.5 £5,400, in respect of the Primorus Warrants over 1,800,000 shares in the Company to Primorus Investments in connection with the initial admission of the Company's issued share capital to the Official List and to trading on the London Stock Exchange's Main Market for listed securities on 1 July 2022 ("Initial LSE Admission"); and
- 5.3.6 £2,700, in respect of the Director Warrants over an aggregate 900,000 shares in the Company to Matthew Beardmore and Martin Samworth (in equal proportions) in connection with the Initial LSE Admission (in the case of Matthew Beardmore) and a letter of appointment dated 20 July 2022 (in the case of Martin Samworth),

such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date 15 months after the date of passing this resolution, provided that this authority shall allow the Company, before such expiry, to make an offer or enter into an agreement which would or might require new shares in the Company to be allotted after this authority expires and the Directors may allot new shares in the Company in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

- 5.4 Pursuant to an ordinary resolution passed at the General Meeting on 13 December 2024, the Directors were generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company, otherwise than pursuant to the resolution set out in paragraph 5.3 above, up to an aggregate nominal amount equal to 50 per cent. of the Enlarged Share Capital at Admission. The authority in this resolution shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date 15 months after the date of passing this resolution, provided that this authority shall allow the Company, before such expiry, to make an offer or enter into an agreement which would or might require new shares in the Company to be allotted after this authority expires and the Directors may allot new shares in the Company in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

5.5 Pursuant to a special resolution passed at the General Meeting on 13 December 2024, the Directors were given the general power to allot equity securities (as defined by section 560 CA 2006) of the Company for cash pursuant to the authorities conferred by the resolution set out in paragraph 5.3 above as if the pre-emption rights for existing shareholders set out in section 561(1) CA 2006 did not apply to any such allotment. The power is limited to the allotment of equity securities for cash:

5.5.1 in connection with or pursuant to an offer or invitation in favour of holders of shares in the Company in proportion (as nearly as practicable) to the respective number of shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the Directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the Directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever); and

5.5.2 otherwise than pursuant to sub-paragraph 5.5.1 above, in the case of the authority granted under the resolution set out in paragraph 5.3 above, up to an aggregate nominal amount of £423,562.

The authority in this resolution shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date 15 months after the date of passing this resolution, provided that this authority shall allow the Company, before such expiry, to make an offer or enter into an agreement which would or might require new shares in the Company to be allotted after this authority expires and the Directors may allot new shares in the Company in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

5.6 Pursuant to a special resolution passed at the General Meeting on 13 December 2024, the Directors were given the general power to allot equity securities (as defined by section 560 CA 2006) of the Company for cash pursuant to the authorities conferred by the resolution set out in paragraph 5.4 above as if the pre-emption rights for existing shareholders set out in section 561(1) CA 2006 did not apply to any such allotment. The power is limited to the allotment of equity securities for cash in the case of the authority granted under the resolution set out in paragraph 5.4 above, and otherwise than pursuant to the resolution set out in paragraph 5.5 above, up to an aggregate nominal amount equal to 20 per cent. of the Enlarged Share Capital at Admission.

The authority in this resolution shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date 15 months after the date of passing this resolution, provided that this authority shall allow the Company, before such expiry, to make an offer or enter into an agreement which would or might require new shares in the Company to be allotted after this authority expires and the Directors may allot new shares in the Company in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

5.7 The Ordinary Shares in issue on Admission will be in registered form and, following Admission, may be held either in Certificated form or in Uncertificated form. The records in respect of Ordinary Shares held in Uncertificated form will be maintained by Euroclear and the Registrars.

5.8 None of the Ordinary Shares are being marketed or made available in whole or in part to the public in conjunction with the application for Admission.

5.9 The Ordinary Shares are governed in accordance with the CA 2006.

5.10 The currency of the Ordinary Shares is pounds sterling.

5.11 Save as set out in this Document:

5.11.1 the Company does not have in issue any securities not representing share capital;

- 5.11.2 no shares in the capital of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
  - 5.11.3 the Company does not hold any treasury shares and no Ordinary Shares are held by, or on behalf of, any member of the Company's group;
  - 5.11.4 no Ordinary Shares have been issued otherwise than as fully paid;
  - 5.11.5 no share or loan capital of the Company has, since incorporation to the date of this Document, been issued or agreed to be issued, or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash, to any person;
  - 5.11.6 the Company has no outstanding convertible securities, exchangeable securities or securities with warrants;
  - 5.11.7 no commission, discounts, brokerages or other special terms have been granted by the Company or any other member of the Company's group in connection with the issue or sale of any share or loan capital of any such company; and
  - 5.11.8 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 5.12 The Company is not aware of any person who, save for the Founder Concert Party, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
  - 5.13 No shares in the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
  - 5.14 There are no mandatory takeover bids outstanding in respect of the Company and none has been made either in the last financial year or the current financial year of the Company. No public takeover bids have been made by third parties in respect of the Company's issued share capital in the current financial year nor in the last financial year.
  - 5.15 The financial year end of the Company and the Enlarged Group going forward is 30 September.

## **6. Memorandum and Articles**

- 6.1 The Company's objects are not restricted by its Articles, accordingly, pursuant to section 31(1) of the CA 2006, the Company's objects are unrestricted. The liability of the members is limited to the amount, if any, unpaid on the Ordinary Shares respectively held by them. The Articles contain provisions to the following effect.
- 6.2 The Articles were adopted pursuant to a special resolution passed at a general meeting of the Company held on 23 November 2021, were subsequently amended on 25 January 2024 and were then amended on 13 December 2024 (by a resolution passed at the General Meeting). Subject to and with effect from Admission, new articles of association are to be adopted. The key provisions contained in the Articles are set out below.

### **(a) Voting rights**

Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or by proxy or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.

Unless the directors determine otherwise, a member of the Company is not entitled to attend a general meeting, or, 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 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the CA 2006.

(b) ***Rights attached to shares***

Any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed, or so far as the resolution does not make specific provision, as the board may decide.

(c) ***Variation of rights***

The Articles do not contain provisions relating to the variation of rights as these matters are dealt with in section 630 of the CA 2006. If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths 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.

(d) ***Transfer of shares***

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.

The directors may, in their absolute discretion and without assigning any reason, 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 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the 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 in the shares.

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 joint 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.

(e) ***Payment of dividends***

Subject to the provisions of the CA 2006 and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the CA 2006. Interim dividends may be paid if profits are available for distribution and if the directors so resolve.

(f) ***Unclaimed dividends***

Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

(g) ***Untraced Shareholders***

The Company may sell any share if, during a period of 12 years, at least three dividends 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 FCA.

(h) **Return of capital**

On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the CA 2006, be divided amongst the members.

(i) **Borrowing powers**

Subject to the provisions of the CA 2006, 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.

(j) **Directors**

No shareholding qualification is required by a director.

The directors are entitled to fees, in addition to salaries, at the rate decided by them, subject to an aggregate limit of £400,000 per annum or such additional sums as the Company may by ordinary resolution determine. The Company may by ordinary resolution also vote extra fees to the directors which, unless otherwise directed by the resolution by which it is voted, will be divided amongst the directors as they agree, or failing agreement, equally. 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.

At the third (or next subsequent) annual general meeting after an annual general meeting or general meeting at which a director was appointed, such director will retire from office. A retiring director is eligible for reappointment.

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.

Save as provided in sub-paragraphs (1) through (7) below, a director may not vote or be counted in the quorum present on any motion regarding 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 the CA 2006, 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.

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:

- (1) 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;
- (2) 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;
- (3) 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;
- (4) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company, or of a third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest;



- (5) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit, and which has been approved by or is subject to and conditional upon approval by HMRC;
- (6) any contract, arrangement, transaction, or other proposal concerning the adoption, modification or operation of an employee share scheme which includes full time executive directors of the Company and/or any subsidiary or any arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not award to any director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and
- (7) any contract, arrangement, transaction, or proposal concerning insurance which the Company proposed to maintain or purchase for the benefit of directors or for the benefit or persons including the directors.

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.

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.

(k) **CREST**

The directors may implement such arrangements as they think fit 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.

(l) **Disclosure notice**

The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant share capital:

- (1) to confirm that fact or (as the case may be) to indicate whether it is the case; and
- (2) where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

(m) **General meetings**

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.

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.

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.



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.

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.

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.

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.

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.

## 7. Substantial Shareholders

7.1 Except for the interests of those persons set out in this paragraph and the interests of the Directors set out in paragraph 10.1 below, the Directors are not aware of any person who has any interests, direct or indirect, which, at the date of this Document and immediately following Admission, would amount to 3 per cent. or more of the Company's issued share capital:

Name	As at the date of this Document		On Admission	
	Number of Existing Ordinary Shares	Percentage of the Existing Ordinary Shares	Number of Ordinary Shares	Percentage of the Entire Issued Share Capital
Primorus Investments plc	5,000,000	27.78%	11,677,755	12.12%
Rupert Labrum <sup>1</sup>	3,284,000	18.24%	3,284,000	3.41%
Chris Hansen	800,000	4.44%	800,000	0.83%
Kevin Lyon	718,000	3.99%	718,000	0.75%
Sebastian Marr	718,000	3.99%	4,315,583	4.48%
Clive Roberts	718,000	3.99%	2,230,886	2.32%
Tony Elliot	714,000	3.97%	714,000	0.74%
Jade Elliot	714,000	3.97%	714,000	0.74%
Sport Media Ventures <sup>3</sup>		–	13,447,874	13.96%
The Equities Exchange Limited <sup>2</sup>		–	7,069,092	7.34%
Daniel Gee		–	5,196,088	5.39%
Steven Xerri		–	4,592,781	4.77%
Alan Mcleish		–	6,326,213	6.57%
John Cowley		–	3,361,969	3.49%
Orana Corporate LLP		–	3,446,571	3.58%

- <sup>1</sup> Includes 434,000 Ordinary Shares held by Susan Labrum, the wife of Rupert Labrum.
- <sup>2</sup> James Sheehan, a director of the Company, holds an indirect 50 per cent. interest in The Equities Exchange Limited, with the other 50 per cent. owned by Callum Hill.
- <sup>3</sup> James Sheehan, a director of the Company, holds an indirect 36.42 per cent. interest in Sport Media Ventures Ltd, with the balance held by a number of different minority shareholders, all of whom have less than 10.01 per cent. Daniel Gee, a subsidiary director on Admission, but does not hold any shares in Sport Media Ventures Ltd.
- <sup>4</sup> Includes 1,111,111 Ordinary Shares held by Bogside Investments Limited, a company owned 100% by Alan Mcleish.

- 7.2 No substantial holder of Ordinary Shares, as set out in paragraph 7.1 above and as otherwise set out in paragraph 10.1 of this Part VI of this Document, has voting rights different from other holders of Ordinary Shares.
- 7.3 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

## 8. Directors

- 8.1 Details of the Directors and their functions in the Company are set out in paragraph 11 of Part I of this Document under the heading “The Board of Directors and Senior Management” and in paragraph 9 of this Part VI of this Document. Each of the Existing Directors can be contacted at the current registered office of the Company at 48 Chancery Lane, London WC2A 1JF.
- 8.2 In addition to their directorships of the Company, the Existing Directors and the Proposed Directors are currently or have within the five years prior to the date of this Document been directors and/or partners of the following companies and partnerships:

	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
<b>Existing Directors</b>		
Matthew Beardmore	Primorus Investments plc Alteration Earth plc	None
Martin Samworth	Heylo Housing Group Limited Alteration Earth PLC BRIP 10 LLP Excellerate Holdings PVT Limited 32/34 Connaught Square Freehold Limited	Leapfrog Home Finance Limited CBRE Limited CBRE European Treasury Limited
<b>Proposed Directors</b>		
James Sheehan	PriOr1ty Ltd Scwiar Capital Ltd Scwiar Investments Ltd Sports Media Ventures Ltd The Equities Exchange Limited Pinnacle Sports Group Ltd Welba App Ltd Connected Fanatics Ltd Next Generation Management Ltd LDN UTD Ltd PriOr1ty AI Ltd	Pinnacle Investment Advisors Ltd SuperMarine Talent Ltd Ludus Gaming Ltd Photo Flashes Ltd

Daniel Maling	Metals One plc Hydrogen Future Industries PLC Cobra Resources PLC Engage Technology Partners Limited ETI Ventures PLC Tower Green Holdings Ltd M2Energy Limited Basin Energy One Ltd HFI Development Limited HFI Energy Systems Limited HFI IP Holdings Limited Oil Ventures PLC Jas Capital Ltd	Medcaw Investments Plc Orana Corporate LLP K.O.N.H. UK Limited Calabar Capital Limited East Star Resources PLC Optiva Critical Metals Limited HFI Ireland Limited
Philip Adler	Monecor (London) Limited	Knapsac Limited Monecor 123 Limited
Karen Lewis-Hollis	FTP Equine Holdings Ltd FTP Properties Ltd Hollis & Hollis Family Office Hollis Research	Lordes Luxury Car Storage Ltd

8.3 The business address of each of the Directors is the Company's registered office.

8.4 Daniel Gee, a Director of PAI, was a director of Pello Capital Ltd when it entered creditors voluntary liquidation on 20 December 2022. The liquidation is ongoing and the current deficit to creditors per the Liquidator's reports filed to date is approximately £3.4 million.

As at the date of this Document, **other than mentioned above**, none of the Directors has at any time within the last five years:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or been subject to any individual voluntary arrangement, or has had a receiver appointed to any asset of such Director;
- (c) has been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which has entered into a 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 the 12 months after he ceased to be a director of that company;
- (d) has been a partner in any partnership which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) has had any asset belonging to him placed in receivership or has been a partner in any partnership which had an asset placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) has been the subject of any public criticism and/or investigation by any statutory or regulatory authority (including any recognised professional body); or
- (g) has ever been or is disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

The Directors do not currently have any potential conflicts of interest between their duties to the Company and their private interests or other duties that they may also have. If a Director introduces a potential transaction to the Company in which they have an interest or a conflict, it will be dealt with by the Acquisitions Committee.

## 9. Directors' and PDMR's service agreements and letters of appointment

9.1 No Existing Director or Proposed Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by any member of the Company in the current financial year and which remain in any respect outstanding or unperformed. The Company has entered into the following arrangements with the Existing Directors and the Proposed Directors:

### **Existing Directors**

#### (a) **Matthew Beardmore**

Pursuant to a letter of appointment dated 28 September 2021 between the Company and Matthew Beardmore ("**Initial Appointment Letter**"), Mr. Beardmore was engaged as a non-executive Director for an initial term of 12 months. The Initial Appointment Letter stipulated that Mr. Beardmore would not draw any fee until the completion of an Acquisition (as defined therein and which the Acquisition will satisfy), meaning that Mr. Beardmore has not drawn a fee since his appointment. Mr. Beardmore has been asked to remain as a Director following Completion, the terms of which are subject to the New Appointment Letter (as detailed below).

Pursuant to an appointment letter dated 20 December 2024 between the Company and Matthew Beardmore ("**New Appointment Letter**"), Mr. Beardmore will continue as a non-executive Director of the Company with effect from Admission for a term of one year. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time with immediate effect if Mr. Beardmore, *inter alia*, commits a material breach of his obligations under the letter, commits any serious or repeated breach of his obligations to the Company, is found guilty of any fraud or dishonesty, has been declared bankrupt, has been convicted of an arrestable criminal offence, is disqualified from acting as a director or does not comply with the Company's anti-corruption and bribery policy. Upon termination of the appointment, Mr Beardmore shall only be entitled to fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

The New Appointment Letter terminates the Initial Appointment Letter with effect from Admission.

The Company will pay an annual non-executive director fee of £24,000, payable in equal instalments quarterly in arrears after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board. The fee covers all duties, including service on any Board committee or Company subsidiary.

Concurrent with entering the Initial Appointment Letter, pursuant to a letter agreement dated 28 September 2021 between the Company and Mr. Beardmore, the Company granted Mr. Beardmore 450,000 Director Warrants (one Director Warrant being exercisable over one Ordinary Share). Further details relating to the Director Warrants is set out in paragraph 12.1 of this Part VI of this Document.

#### **Martin Samworth**

Pursuant to a letter of appointment dated 20 July 2022 between the Company and Martin Samworth, Mr. Samworth was engaged as a non-executive Director for an initial term of 12 months. It was agreed that Mr Samworth would not draw any fee until completion of an Acquisition (as defined therein and which the Acquisition will satisfy), meaning that Mr. Samworth has not drawn a fee since his appointment. Mr. Samworth will resign from the Board with effect from Admission.

Concurrent with entering the letter of appointment, pursuant to a letter agreement dated 20 July 2022 between the Company and Mr. Samworth, the Company granted Mr. Samworth 450,000 Director Warrants (one Director Warrant being exercisable over one Ordinary Share). Further details relating to the Director Warrants is set out in paragraph 12.1 of this Part VI of this Document.

## **Proposed Directors**

### (a) **James Sheehan**

A service agreement between the Company and James Sheehan dated 20 December 2024, pursuant to which Mr Sheehan is employed as Chief Executive Officer of the Company with effect from Admission for a minimum initial term of 12 months and until terminated by either party giving the other not less than six months' prior notice in writing. In addition, the Company may terminate the appointment by written notice and without compensation if *inter alia* the director ceases to be eligible to work in the UK, is guilty of gross misconduct, commits any serious or repeated breach of the agreement, is negligent and incompetent in the performance of his duties, is declared bankrupt, is convicted of a criminal offence, breaches the Company's anti-corruption and bribery policy, is guilty of fraud or dishonesty or is guilty of a serious breach of the rules or regulations of any regulatory authority relevant to the Company.

James will be required to devote such time as is necessary to the Company in order to enable him to carry out his duties to the Company as Chief Executive Officer, being a minimum of two days per week. The Company will pay an annual salary of £60,000, (or such higher salary as the Board may from time to time notify to the director), plus fees payable for any days in excess of two days per week at a day rate of £1,500 per day. These amounts are inclusive of any director fees to which the executive may be entitled, subject to annual review.

### (b) **Daniel Maling**

A service agreement between the Company and Daniel Maling dated 20 December 2024, pursuant to which Mr. Maling is employed as Chief Financial Officer of the Company with effect from Admission for a minimum initial term of 12 months and until terminated by either party giving the other not less than six months' prior notice in writing. In addition, the Company may terminate the appointment by written notice and without compensation if *inter alia* the director ceases to be eligible to work in the UK, is guilty of gross misconduct, commits any serious or repeated breach of the agreement, is negligent and incompetent in the performance of his duties, is declared bankrupt, is convicted of a criminal offence, breaches the Company's anti-corruption and bribery policy, is guilty of fraud or dishonesty or is guilty of a serious breach of the rules or regulations of any regulatory authority relevant to the Company.

Dan will be required to devote such time as is necessary to the Company in order to enable him to carry out his duties to the Company as Chief Financial Officer, being a minimum of two days per week. The Company will pay an annual salary of £60,000, (or such higher salary as the Board may from time to time notify to the director), plus fees payable for any days in excess of two days per week at a day rate of £1,500 per day. These amounts are inclusive of any director fees to which the executive may be entitled, subject to annual review.

### (c) **Philip Adler**

An appointment letter dated 20 December 2024 from the Company appointing Philip Adler as a non-executive Director of the Company with effect from Admission for a term of one year. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time with immediate effect, if the director, *inter alia*, commits a material breach of his obligations under the letter, commits any serious or repeated breach of his obligations to the Company, is found guilty of any fraud or dishonesty, has been declared bankrupt, has been convicted of an arrestable criminal offence, is disqualified from acting as a director or does not comply with the Company's anti-corruption and bribery policy. Upon termination of the director's appointment, the director shall only be entitled to fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

The Company will pay an annual non-executive director fee of £18,000, payable in equal instalments quarterly in arrears after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board. The fee covers all duties, including service on any Board committee or Company subsidiary.

(d) **Karen Lewis-Hollis**

An appointment letter dated 20 December 2024 from the Company appointing Karen Lewis-Hollis as a non-executive Director of the Company with effect from Admission for a term of one year. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time with immediate effect, if the director, *inter alia*, commits a material breach of her obligations under the letter, commits any serious or repeated breach of her obligations to the Company, is found guilty of any fraud or dishonesty, has been declared bankrupt, has been convicted of an arrestable criminal offence, is disqualified from acting as a director or does not comply with the Company's anti-corruption and bribery policy. Upon termination of the director's appointment, the director shall only be entitled to fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

The Company will pay an annual non-executive director fee of £18,000, payable in equal instalments quarterly in arrears after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board. The fee covers all duties, including service on any Board committee or Company subsidiary.

**PDMRs**

(e) **Daniel Gee**

A service agreement between the PAI and Daniel Gee dated 20 December 2024, pursuant to which Mr. Gee is employed as Executive Director of PAI with effect from Admission for a minimum initial term of 12 months and until terminated by either party giving the other not less than six months' prior notice in writing. In addition, PAI may terminate the appointment by written notice and without compensation if *inter alia* the director ceases to be eligible to work in the UK, is guilty of gross misconduct, commits any serious or repeated breach of the agreement, is negligent and incompetent in the performance of his duties, is declared bankrupt, is convicted of a criminal offence, breaches the Group's anti-corruption and bribery policy, is guilty of fraud or dishonesty or is guilty of a serious breach of the rules or regulations of any regulatory authority relevant to PAI.

Dan will be required to devote such time as is necessary to PAI in order to enable him to carry out his duties to PAI as Executive Director, being a minimum of five days per week. PAI will pay an annual salary of £60,000, (or such higher salary as the Board may from time to time notify to the director). These amounts are inclusive of any director fees to which the executive may be entitled, subject to annual review.

- 9.2 Save as set out as above, there are no existing or proposed service agreements, consultancy agreements or letters of appointment between any of the Directors and any member of the Group.
- 9.3 There are no arrangements under which any Director has agreed to waive future emoluments nor have there been any waivers of such emoluments during the financial year immediately preceding the date of this Document.
- 9.4 The aggregate remuneration paid and benefits in kind granted to the Directors in the financial year ended 30 September 2024 was £Nil. It is estimated that, under the agreements in force at the date of this Document and to be entered into on Admission as set out in paragraph 9.1, the aggregate remuneration payable and benefits in kind to be granted to the Directors in the financial year ending 30 September 2025 will be approximately £141,000.
- 9.5 Pursuant to the Articles and subject to the CA 2006, the Company indemnifies the Directors against any liability incurred by each such director in connection with any negligence, default, breach of duty or breach of trust in relation to the Group, or any other liability incurred by each such director as an officer of the Company or a member of the Group.



## 10. Shareholdings and other interests of Directors

- 10.1 The interests of the Directors and persons connected with them, within the meaning of sections 252 and 253 of the CA 2006, in the share capital of the Company, at the date of this Document and immediately following Admission, all of which are beneficial, are:

Name	As at the date of this Document		On Admission	
	Number of Existing Ordinary Shares	Percentage of the Existing Ordinary Shares	Number of Ordinary Shares	Percentage of the Entire Issued Share Capital
Matthew Beardmore	400,000	2.22%	400,000	0.42%
Daniel Maling	–	–	1,755,058	1.82%
James Sheehan	–	–	20,516,966	21.30%
Karen Hollis-Lewis	–	–	387,714	0.40%
<b>Total</b>	<u>400,000</u>	<u>2.22%</u>	<u>23,059,738</u>	<u>23.90%</u>

\* James Sheehan, holds his interest through The Equities Exchange Limited in which he holds an indirect 50 per cent. interest in and through Sport Media Ventures Ltd in which he holds an indirect 36.42 per cent. interest.

- 10.2 Save as disclosed in this paragraph 10 and in paragraph 4 of this Part VI, no Director or senior manager has any interest (whether beneficial or non-beneficial) in the share or loan capital of the Company or any member of the Group nor (so far as is known to the Directors having made appropriate enquiries) does any person connected with any of the Directors within the meaning of section 252 of the CA 2006 have any such interest (whether beneficial or non-beneficial).
- 10.3 None of the Directors nor (so far as is known to the Directors having made appropriate enquiries) any person connected with any of the Directors within the meaning of section 252 of the CA 2006 holds a related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares.
- 10.4 No Director with an interest in the Company's issued share capital or voting rights has voting rights which are different from other Shareholders.
- 10.5 There are no outstanding loans or guarantees granted or provided by the Company or any other member of the Group to or for the benefit of any of the Directors.
- 10.6 Save as disclosed in this Document, no Director has or has had any interest, whether direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- 10.7 Save as disclosed in this Document, no Director has or has had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company or any other member of the Group during the current or immediately preceding financial year or which was effected by the Company or any other member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.
- 10.8 Save as disclosed in this Document, no Director has any conflict of interest (or potential conflict of interest) between any of the duties owed by him or her to the Company and his or her private interests or any duties owed by him or her to third parties.
- 10.9 Details of any restrictions agreed by the Directors with regard to the disposal of their holdings in the Company's securities are set out in paragraph 12.13 of this Part VI of this Document.

## 11. Employees

As at the date of this Document, in addition to the Directors, the Company has no employees.



## **12. Material contracts**

### ***ALTE Material Contracts***

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by ATLE within the three years immediately preceding the date of this and are, or may be, material:

#### **12.1 *Director Warrant Instrument***

On 17 June 2022, the Company constituted 900,000 Director Warrants on the terms of a warrant instrument pursuant to which the Company issued 450,000 Director Warrants to each of Matthew Beardmore and Rupert Horner, conditional on the Company's initial admission to trading on the Main Market (which occurred on 1 July 2022). Rupert Horner remained as a Director until his resignation on 20 July 2022. As a result of his resignation, the Company and Rupert Horner entered a deed of surrender pursuant to which the Director Warrants granted to him were surrendered. On his appointment as a Director, Martin Samworth was issued with 450,000 Director Warrants.

The Director Warrants entitle (but do not obligate) each of Matthew Beardmore and Martin Samworth to subscribe for one Ordinary Share for each Director Warrant held by them respectively at a price per share of £0.003 each. The Director Warrants are exercisable either in whole or in part for a period of five years from the date of Admission. The Director Warrants are not exercisable prior to Readmission.

On 20 December 2024, the Company amended and restated the warrant instrument.

#### **12.2 *Relationship Agreement***

On 20 December 2024 (i) the Company, (ii) Beaumont Cornish and (iii) Daniel Gee, Sport Media Ventures Ltd and The Equities Exchange Ltd entered into the Relationship Agreement which regulates the ongoing relationship between each of those Shareholders and the Company to ensure that the Company is capable at all times of carrying on its business independently of those Shareholders, and that future transactions between the Company and those Shareholders are on arm's length terms and on a normal commercial basis. The Relationship Agreement will apply to Daniel Gee, Sport Media Ventures Ltd and The Equities Exchange Ltd for so long as they, together with their associates, collectively hold 20 per cent. of the issued Ordinary Shares of the Company. The undertakings given pursuant to the Relationship Agreement include (where the % threshold required for the terms to apply has been met) that the relevant shareholders will do all such things as are reasonable to ensure that the Company is able to conduct its business independently of them and their associates and will not take any action which would prejudice the Company's ability to do this.

#### **12.3 *Primorus Warrant Instrument***

On 17 June 2022, the Company constituted 1,800,000 Primorus Warrants on the terms of a warrant instrument pursuant to which the Company issued such Warrants to Primorus, conditional on the Company's initial admission to trading on the Main Market (which occurred on 1 July 2022). The Primorus Warrants entitle Primorus Investments to subscribe for one Ordinary Share for each Primorus Warrant held at a price per share of £0.003 each. The Primorus Warrants are exercisable either in whole or in part for a period of five years from the date of Admission.

On 20 December 2024, the Company amended and restated the warrant instrument.

#### **12.4 *BCL Engagement Letter***

On 15 July 2024, the Company entered into an agreement with Beaumont Cornish pursuant to which the Company appointed Beaumont Cornish to act as nominated adviser to the Company with effect from Admission. Total fees payable under the engagement letter are £120,000.

#### **12.5 *BCL Nomad Agreement***

On 20 December 2024, the Company and the Directors entered into a nominated adviser agreement with Beaumont Cornish pursuant to which the Company appointed Beaumont Cornish to act as nominated adviser to the Company with effect from Admission for the purposes of the AIM Rules for

Companies. The agreement is for a minimum period of 12 months from the date of Admission and continues thereafter until terminated by either party giving not less than three months' notice. Either party may nevertheless terminate the agreement with immediate effect if the other party is in material breach of its obligations under the agreement. Under the agreement, the Company has agreed to pay Beaumont Cornish an annual fee of £50,000 (plus VAT) for its services.

The agreement contains certain undertakings by the Company and indemnities given by the Company in respect of, among other things, compliance with all applicable regulations.

#### 12.6 ***Allenby Capital Broker Engagement Letter***

On 20 December 2024, the Company entered into an agreement with Allenby Capital pursuant to which the Company appointed Allenby Capital to act as broker to the Company with effect from Admission for the purposes of the AIM Rules for Companies for an annual fee. The agreement is for a minimum period of 12 months from the date of Admission and continues thereafter until terminated by either party giving not less than three months' notice.

The agreement contains certain undertakings by the Company and indemnities given by the Company in respect of, among other things, compliance with all applicable regulations.

#### 12.7 ***Allenby Capital Admission Engagement Letter***

On 26 November 2024, the Company entered into an agreement with Allenby Capital pursuant to which the Company appointed Allenby Capital to act as broker to the Company pursuant to the AIM Rules for Companies in relation to the Placing and Admission. Pursuant to the letter, the Company has agreed, subject to Admission (in each following instance), to pay Allenby Capital: corporate finance fee and placing commission

An abort is payable in the event the agreement is terminated by the Company prior to Admission for a reason other than a material breach by Allenby Capital of its obligations pursuant to the engagement letter.

#### 12.8 ***Registrar Agreement***

On 16 June 2022, the Company entered into a registrar agreement with the Registrar, pursuant to which the Company, conditional on Main Market Admission, appointed the Registrar to provide registrar services to the Company from Main Market Admission. The Registrar's responsibilities include maintaining the register of members of the Company and providing a share and warrant registration service.

#### 12.9 ***Placing Agreement***

Under the Placing Agreement dated 20 December 2024 between the Company, each Director, BCL and Allenby Capital, BCL has conditionally agreed to provide assistance to the Company in connection with Admission and Allenby has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price conditional upon, amongst other things, completion of the Acquisition and Admission. The Company has agreed to pay the costs relating to Admission and the Placing (and fees, commission and warrants to Allenby Capital and BCL in accordance with their respective engagement letters with the Company and the Placing Agreement).

The Placing Agreement contains certain warranties given by the Company and the Directors in favour of Allenby Capital and BCL, including as to the accuracy of the information contained in this Document, certain financial information and other matters relating to the Group and its businesses. In addition, the Company and the Directors also give certain customary undertakings for the benefit of Allenby Capital and BCL, and the Company has agreed to indemnify Allenby Capital and BCL in respect of any losses, damages, costs, charges, expenses or liabilities of any nature incurred by each of them and certain of their associated parties resulting from the carrying out by each of them of their respective obligations or services under the Placing Agreement or otherwise in connection with the Placing and Admission.

Allenby Capital and BCL are entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a breach of the Placing Agreement, a breach of any of the warranties contained in the Placing Agreement or the occurrence of a material adverse change in the financial position or prospects of the Group. The liability of the Directors in respect of a breach of the warranties given in the Placing Agreement is limited in time and amount.

#### 12.10 **Subscription Agreements**

On 20 December 2024 the Company entered into subscription agreements with the Subscribers pursuant to which the Subscribers agreed to subscribe for an aggregate of 1,148,147 Subscription Shares at the Issue Price. The Subscription Agreements are conditional on Admission occurring by no later than 10 January 2025.

#### 12.11 **Sale and Purchase Agreement**

On 20 December 2024, the Company and the PAI Shareholders entered into a conditional share purchase agreement with for the purchase by the Company of the entire issued share capital of PAI and the Founder Warrants. Pursuant to the terms of this agreement, the Company will issue the Consideration Shares and the Consideration Warrants to the PAI Shareholders and the Founder PAI Shareholders respectively. Following completion of the Acquisition, which is conditional on Admission, PAI will become a member of the Group.

The Share Purchase Agreement contains certain customary warranties, undertakings and indemnities in favour of the Purchaser.

#### 12.12 **Consideration Warrants Instrument**

On 20 December 2024, the Company executed a warrant instrument pursuant to which the Company issued the Consideration Warrants to subscribe for up to 6,723,940 Ordinary Shares. Each Consideration Warrant is exercisable over one Ordinary Share at a price per share of £0.03, and which vest two years from Admission (the "Vesting Date"). The Consideration Warrants are exercisable in whole or in part (save as other stated below) for a period of five years from the Vesting Date.

Furthermore, on exercise, each warrant holder can only exercise such number of Consideration Warrants that corresponds to the number of Ordinary Shares they hold at that time. Should their shareholding be less than the Consideration Warrants they hold, they will surrender the Consideration Warrants and the surrendered warrants will be distributed equally to the remaining Consideration Warrant holders pro rata.

The Consideration Warrants equate to 6.3 per cent. of the Fully Diluted Share Capital.

#### 12.13 **Rule 7 Lock-In Agreements**

The AIM Rule 7 Locked-in Shareholders have agreed that, subject to certain exceptions permitted by Rule 7 of the AIM Rules, they will not dispose of their interests in Ordinary Shares held or acquired by them until expiry of the Lock-in Period and thereafter for a further period of 12 months only to deal or otherwise dispose of any such interests through Allenby Capital (or the broker to the Company at the time of disposal) in such manner as Allenby and BCL may reasonably require in order to assist in the maintenance of an orderly market in the Ordinary Shares, save that the Locked-in Shareholders may dispose of such interests during this further 12 month period through another broker in circumstances where the disposal may not be effected within 10 business days of a request from the Locked-In Shareholder to Allenby and BCL, but (amongst other things) provided the disposal is carried out to maintain an orderly market in the shares and the Locked-In Shareholder takes into account the reasonable representations and requirements of Allenby and BCL. The Locked-In Shareholder has agreed to ensure that such other broker is aware of and complies with these obligations.

The limited exceptions are a disposal following the death of an AIM Rule 7 Locked-In Shareholder to their personal representatives, an intervening court order and the acceptance of a takeover offer for the Company or the execution of an irrevocable undertaking to accept such offer.

The aggregate interests following Admission which shall be subject to the Rule 7 Lock-In Agreements will amount to 43,380,153 Ordinary Shares, which is equivalent to approximately 45.03 per cent. of the Enlarged Share Capital.

#### 12.14 **BCL Warrants Instrument**

On 20 December 2024, the Company executed a warrant instrument pursuant to which the Company authorised the issue of the BCL Warrants to subscribe for up to 240,833 Ordinary Shares. Each BCL Warrant is exercisable over one Ordinary Share at a price per share equal to the Issue Price. The BCL Warrants are exercisable either in whole or in part for a period of three years from the date of Admission.

The BCL Warrants equate to 0.23 per cent. of the Fully Diluted Share Capital.

#### 12.15 **Lock-In and OM Agreements**

The Locked-In Shareholders have agreed that, subject to certain exceptions, they will not dispose of their interests in Ordinary Shares held or acquired by them for a period of at least six months from Admission and thereafter for a further period of six months only to deal or otherwise dispose of any such interests through Allenby Capital (or the broker to the Company at the time of disposal) in order to assist in the maintenance of an orderly market in the Ordinary Shares. The limited exceptions are a disposal following the death of a Locked-in Shareholder to their personal representatives, an intervening court order and the acceptance of a takeover offer for the Company or the execution of an irrevocable undertaking to accept such offer.

The aggregate interests following Admission which shall be subject to the Lock-In and OM Agreements will amount to 29,224,305 Ordinary Shares, which is equivalent to approximately 30.3 per cent. of the Enlarged Share Capital.

#### 12.16 **Gneiss engagement letter**

Pursuant to an engagement letter dated 11 October 2021 (the “October 2021 engagement letter”), the Company engaged Gneiss Energy Ltd (“Gneiss”) to provide certain corporate finance services to the Company, the full details of which are set out in the Company’s prospectus dated 17 June 2022 (an electronic copy of which is available to download from the Company’s website at the following link: <https://www.altearthplc.com/publications/>). On 26 September 2023 (the “September 2023 engagement letter”), the Company and Gneiss entered into an amended engagement letter pursuant to which the monthly fee payable by the Company to Gneiss of £10,000 (plus VAT) was reduced to £7,500 (plus VAT). On 29 January 2024, the Company and Gneiss entered into another amended engagement letter which reinstated the previously monthly fee of £10,000 (plus VAT) but made the payment of such fee by the Company conditional on Admission. The fees owing by the Company to Gneiss (which accrued and were unpaid as at the date of termination of the agreement with Gneiss) amount to £72,000 (inclusive of VAT) for the period between 1 January 2024 and 30 June 2024.

#### **PAI Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by PAI within the two years immediately preceding the date of this and are, or may be, material:

#### 12.17 **Founder Acquisition Letters**

In November and December 2023, PAI entered into various letters with the Founder Shareholders pursuant to which the Founder Shareholders acquired, in aggregate, 100,000,000 ordinary shares of £0.001 each in the capital of PAI (“**PAI Shares**”) at nominal value (either by way of direct subscription for shares, or by way of acquisition from Sport Media Ventures Ltd (formerly PriOr1ty Group Limited)). Pursuant to the letters, the Founder Shareholders were required to pay up the nominal value on the PAI Shares directly to PAI. Pursuant to the letters, PAI provided standard representations and warranties to the Founder Shareholders and *vice versa*.

#### 12.18 **Founder Warrant Instrument**

On 12 December 2023, PAI executed a warrant instrument pursuant to which PAI authorised the issue of Founder Warrants to subscribe for up to 100,000,000 PAI Shares. On 20 December 2023, PAI issued Founder Warrants to the Founder Shareholders. On 20 December 2024, 80,000,000 of the Founder Warrants were surrendered pursuant to the terms of the Founder Warrant Surrender Deeds, further details of which are set out in paragraph 12.19 of this Part VI of this Document. Pursuant to the SPA, the Founder Warrants will be acquired by the Company, in consideration for which the Consideration Warrants will be issued to the Founder PAI Shareholders. Accordingly, following Admission all Founder Warrants will be held by the Company and no third parties shall have any interests under the Founder Warrant Instrument.

#### 12.19 **Founder Warrant Surrender Deeds**

On 20 December 2024, each of the Founder Shareholders surrendered 80 per cent. of the original Founder Warrants held by that Founder Shareholder ("**Surrendered Warrants**") pursuant to the terms of a deed of surrender entered into between each Founder and PAI (the "**Founder Warrant Surrender Deeds**"). Following surrender of the Surrendered Warrants, PAI has 20,000,000 Founder Warrants outstanding held by the Founder PAI Shareholders. The Founder Warrants will be purchased by the Company pursuant to the terms of the Share Purchase Agreement, further details of which are set out in paragraph 12.11 of this Part VI of this Document. In accordance with the terms of the Share Purchase Agreement, in consideration for the purchase by the Company of the remaining Founder Warrants, the Company will issue an aggregate of 72,000,000 Consideration Warrants to the Founder PAI Shareholders.

#### 12.20 **Asset Purchase Agreement**

On 15 November 2023, PriOr1ty Ltd (a wholly owned subsidiary of PAI) entered into an asset purchase agreement pursuant to which PriOr1ty Ltd agreed to acquire the business and assets of Sports Media Ventures Ltd (formerly PriOr1ty Group Ltd) related to the "PriOr1ty AI" business for an aggregate consideration of £500,000, which was left outstanding as a loan owed by PriOr1ty Ltd to Sports Media Ventures Ltd. As part of the acquisition, outstanding debts of £20,000 owed by Sports Media Ventures Ltd to each of Daniel Gee and The Equities Exchange Ltd in respect of services provided by Daniel Gee and The Equities Exchange Ltd to Sports Media Ventures Ltd were transferred to PriOr1ty Ltd.

#### 12.21 **Deeds of Assignment of Intellectual Property and Goodwill**

Pursuant to the terms of the Asset Purchase Agreement, on 15 November 2023 PriOr1ty Ltd entered into a deed of assignment of intellectual property and goodwill pursuant to which Sports Media Ventures Ltd assigned to PriOr1ty Ltd all of the intellectual property rights owned and used by Sports Media Ventures Ltd in connection with the "PriOr1ty AI" business and assets.

On 23 October 2024, PriOr1ty Ltd entered into a deed of assignment of intellectual property with Daniel Gee for the purposes of ensuring that all intellectual property created by Daniel Gee for and on behalf of Sports Media Ventures Ltd in the course of his engagement fully vests in, and belongs to PriOr1ty Ltd.

#### 12.22 **Deed of Novation and Conversion**

On 15 November 2023, PAI entered into a deed of novation and conversion made between (1) PAI; (2) PriOr1ty Limited; (3) Sports Media Ventures Ltd; (4) Daniel Gee and (5) The Equities Exchange Limited, pursuant to which the obligation to pay the consideration of £500,000 ("Consideration") and the obligation to settle the outstanding debts totaling £40,000 in connection with the Asset Purchase Agreement were novated from PriOr1ty Ltd to PAI, in consideration for the payment by PriOr1ty Ltd to PAI of £500,000, which is held on intra-group loan account as an amount owed by PriOr1ty Ltd to PAI. PAI partially settled the obligation to pay the consideration by way of the allotment and issue of 40,000,000 Shares at a price per share of £0.001 to Sports Media Ventures Ltd. The balance of £100,000 is to be repaid in instalments, with the final instalment of £50,000 payable on Admission. The obligation on PAI to pay the outstanding amounts of £20,000 owed to each of The Equities Exchange Ltd and Daniel Gee was satisfied by offsetting the debt against the obligation on each of



The Equities Exchange Ltd and Daniel Gee to pay up the nominal value of the PAI Shares issued to them on incorporation of PAI.

#### 12.23 **Share Purchase Agreement**

On 19 December 2023, PAI entered into a share purchase agreement pursuant to which PAI agreed to purchase the entire issued share capital of Priority Holdings Ltd from Daniel Gee. The aggregate purchase price payable was £1.00.

#### 12.24 **Orana Engagement Letter**

By letter of engagement dated 31 October 2023, Orana Corporate LLP (“Orana”) was appointed as the Group’s accountant (the “Orana Agreement”). Pursuant to the Orana Agreement, Orana agreed to provide bookkeeping services and support, on an ongoing basis. Orana will receive a cash fee of £5,000 per month for the services provided. Out of pocket expenses and VAT will be added to Orana’s fees. The terms and conditions of the Orana Agreement are of general market standard, which includes an expected indemnification in favour of Orana in the instances where the Group uses the work produced by Orana contrary to the terms of the Orana Agreement and where the Group provides Orana information which is negligent, fraudulent or in wilful default.

#### 12.25 **Pre-RTO Subscription Letters**

PAI entered into various subscription letters with subscribers in June 2024 pursuant to which PAI issued 41,000,000 PAI Shares in aggregate at a price of £0.01 per Share raising £410,000 in total. PAI and the subscribers provided standard representations and warranties to one another.

PAI entered into various subscription letters with subscribers in August 2024 pursuant to which PAI issued a further 33,160,242 PAI Shares in aggregate at a price of £0.0166 per PAI Share raising £550,460 in total. PAI and the subscribers provided standard representations and warranties to one another.

#### 12.26 **First Sentinel Engagement Letter**

In connection with the aborted AQSE transaction, in October 2023 PAI appointed First Sentinel Corporate Finance Limited (“First Sentinel”) to act as its corporate finance advisor. The engagement was terminated when the AQSE transaction was aborted. PAI have paid an amount of £29,370 to First Sentinel in connection with this engagement and a further payment of £12,000 (the balance) will be paid by PAI to First Sentinel on Admission. Following payment of the balance, there will be no outstanding sums due from PAI to First Sentinel.

### 13. **Related party transactions**

Other than as set out in this Document, in particular the Directors’ service agreements and appointment letters (as described in paragraph 9 of this Part VI of this Document), there have been no related party transactions between the Company and any Director.

### 14. **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Company and/or the Group’s financial position or profitability.

### 15. **Working capital**

The Directors are of the opinion that, having made due and careful enquiry and taking into account the Net Proceeds, the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

## **16. No significant change**

Save for the Fundraising (the Fundraising generating gross proceeds received by or to be received by the Company of £855,000), as set out in the Pro Forma Statement of Net Assets as set out in Part IV (D) of this Document, there has been no significant change in financial position or performance of the Company since 1 April 2024 and in PAI since 1 July 2024.

## **17. Takeover regulation**

- 17.1 Other than as provided by the City Code and Chapter 28 of the CA 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.
- 17.2 The City Code is issued and administered by the Takeover Panel.
- 17.3 The City Code will apply to the Company from Admission and the Shareholders will be entitled to the protection afforded by the City Code.
- 17.4 There have been no public takeover bids for the Company's shares.
- 17.5 Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.
- 17.6 The following persons are acting in concert in relation to the Enlarged Group on Admission: Daniel Gee, The Equities Exchange Limited, Sport Media Ventures Limited and Nick Josh. On Admission, the members of the Founder Concert Party will be interested in 28,880,418 shares, representing 29.60 per cent. of the voting rights of the Company.
- 17.7 Certain members of the Founder Concert Party will also be interested in 3,459,466 Consideration Warrants at Admission, which can be exercised from Vesting Date until the fifth anniversary thereafter into new Ordinary Shares as further set out in paragraph 12.12 of this Part VI of this Document. The terms of the instrument granting the Consideration Warrants include a condition that the Founder PAI Shareholder's interest (together with any parties acting in concert) on exercise of any Consideration Warrants plus the existing equity holding of the Founder Concert Party, shall not exceed 29.9 per cent. of the Company's issued share capital Maximum Interest at any time Exercise Condition.
- 17.8 The Directors, at their sole discretion, will only allot and issue such number of new Ordinary Shares on receipt of an exercise notice as will not result in any Founder Concert Party member's interest exceeding the Maximum Interest and any Consideration Warrants which are not exercised into Ordinary Shares prior to the expiry date of the Consideration Warrants will lapse. Accordingly, the maximum interest of the Founder Concert Party (assuming full exercise) of the Consideration Warrants will not exceed 29.9 per cent. of the total voting rights of the Company.

## **18. Trend information**

- 18.1 The Enlarged Group has a limited trading history and therefore it is not possible to form any opinions as to future performance trends however the key trends likely to impact on the Enlarged Group going forward are set out in section 6 of Part I of this Document.



## 19. General

- 19.1 HaysMac LLP, which has no material interest in the Company, has given and has not withdrawn its consent to the inclusion in this Document of its accountants' report on the historical financial information and its report on the proforma statement on net assets in Part III of this Document and has authorised the contents of those reports for the purposes of 5.3.2R(2)(f) of the Document Regulation Rules.
- 19.2 Beaumont Cornish Limited has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 19.3 Allenby Capital Limited has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 19.4 The percentage dilution incurred by the holders of Existing Shares as a result of the issue of the New Shares to the extent they do not participate in the Placing or the Acquisition is 7.7 per cent.
- 19.5 Save as otherwise set out in this Document, there are no patents or other intellectual property rights, licences, industrial, commercial, or financial contracts or new manufacturing processes which are material to the Company's profitability.
- 19.6 The Company's accounting reference date is 30 September. The Company (ALTE) will publish their audited accounts for the twelve months ended 30 September 2024 by 31 March 2025. Thereafter the Enlarged Group will publish its interim report for the six months ending 31 March 2025 by 30 June 2025 and audited accounts for the twelve months ended 30 September 2025 by 31 March 2026.
- 19.7 The financial information relating to the Company contained in this Document does not constitute statutory accounts for the purposes of section 434 of the CA 2006. PKF Littlejohn LLP, which is registered by the Institute of Chartered Accountants in England & Wales (ICAEW) to carry out audit work in the UK, has been the auditors of the Company since 6 July 2022.
- 19.8 Since incorporation, the Company has not made up any financial statements or published any financial information save for the information contained in Part III of this Document.
- 19.9 Fundraising Shares will be issued and allotted under the laws of England and Wales and their currency will be pounds sterling.
- 19.10 Total Admission costs are approximately £600,000 (excl. VAT).
- 19.11 Save as disclosed in this Document, the Company has not made any investments since incorporation up to the date of this Document.
- 19.12 Save as disclosed in paragraphs 12.16 and 12.26 of this Part VI of this Document, no person (excluding professional advisers otherwise disclosed in this Document and trade suppliers) has:
- (a) received, directly or indirectly from the Company within the 12 months preceding the date of application for Admission; or
  - (b) entered into contractual arrangements (not otherwise disclosed in this Document) to receive, directly or indirectly, from it on or after admission any of the following:
    - fees totaling £10,000 or more;
    - its securities where these have a value of £10,000 or more calculated by reference to the Issue Price; or
    - any other benefit with a value of £10,000 or more at the date of Admission.

## 20. Availability of this Document

An electronic version of this Document (together with the Articles) is available from the Company's website <https://www.altearthplc.com/> (with <https://www.pri0r1ty.com/> to be used from Admission).

Date of Document: 20 December 2024

