

ARRIA

ADMISSION TO AIM

Nominated Adviser and Broker
Allenby Capital Limited

ARRIA NLG plc
NATURAL LANGUAGE GENERATION

NATURAL LANGUAGE GENERATION

THIS ADMISSION 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 are recommended to immediately seek your own financial advice from an independent financial adviser, for example; your stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and is authorised under the FSMA (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction). This document, which comprises an AIM admission document, has been prepared in connection with the proposed application for admission of the issued and to be issued share capital of the Company to trading on AIM, a market of London Stock Exchange. This document is an admission document drawn up in accordance with the AIM Rules.

This document does not constitute a prospectus within the meaning of section 85 of FSMA, and has not been drawn up in accordance with the Prospectus Rules published by the Financial Conduct Authority ("FCA") and a copy has not been, and will not be, approved or filed with the FCA. This document does not constitute, and the Company is not making, an offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise.

Application will be made for the whole of the Company's issued and to be issued ordinary share capital and all of the Warrants to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange 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 AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares or the Warrants to the Official List. The Ordinary Shares and Warrants are not traded on any other recognised investment exchange and no other such applications have been made. It is expected that Admission (as defined on page 7 of this document) will become effective and dealings on AIM will commence in the Ordinary Shares at 8.00 a.m. on 5 December 2013.

The whole text of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed "Risk Factors" in Part II of this document which sets out certain risk factors relating to an investment in the Ordinary Shares and Warrants. All statements regarding the Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.

ARRIA NLG plc

(Incorporated and registered in England and Wales with registered no. 7812686)

Admission of Ordinary Shares and Warrants to trading on AIM

Nominated Adviser and Broker



The Company and each of the Directors, whose names appear on page 5 of this document, individually and collectively accept full responsibility for the information contained in this document, including for its compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Allenby Capital Limited ("Allenby Capital"), which is regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company. It will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of any part of this document. The responsibilities of Allenby Capital as the Company's nominated adviser under the AIM Rules are owed solely to London Stock Exchange and are not owed to the Company or any Director or Shareholder or to any other person, in respect of any decision to acquire Ordinary Shares in reliance on any part of this document or otherwise. Allenby Capital is not making any representation or warranty, express or implied, as to the contents of this document.

This document contains forward-looking statements, including, without limitation, statements containing the words "believes", "expects", "estimates", "intends", "may", "plan", "will" and similar expressions (including the negative of those expressions).

Forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by those forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Part II of this document, titled "Risk Factors". Given these uncertainties, prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements contained in this document are made on the date of this document, and the Company and the Directors are not under any obligation to update those forward looking statements in this document to reflect actual future events or developments.

For the purpose of Section 21 of FSMA, this document constitutes a financial promotion which has been issued by the Company, but the content of which is exempt by virtue of article 67 of the FPO. Use of this document other than in accordance with this restriction is not permitted and may contravene FSMA. No representation or warranty, express or implied, is made by the Company or Allenby Capital to prospective purchasers of Ordinary Shares or Warrants as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares or Warrants (whether on or off exchange) and accordingly, to the extent permitted by law, no duty of care is accepted by the Company or Allenby Capital in relation to them.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares or Warrants under the laws of their country and/or state of citizenship, domicile or residence. This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares or Warrants in any jurisdiction in which such offer or solicitation is unlawful and, in particular, this document is not for distribution in or into the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan. The distribution of this document in other jurisdictions may be restricted by law. Neither the Ordinary Shares or the Warrants have been or will be registered under the applicable securities laws of the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, may not be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, in, into or from the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan or to any national of the United States of America, Canada, Australia, the Republic of Ireland, South Africa or Japan. This document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan. No action has been taken by the Company or Allenby Capital that would permit an offer of Ordinary Shares or Warrants or possession or distributions 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.

In making any investment decision in respect of Admission, Ordinary Shares and/or Warrants, no information or representation should be relied upon in relation to Admission or in relation to the Ordinary Shares or Warrants other than as contained in this document. No person has been authorised to give any information or make any representation other than that contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised.

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

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission Document publication date	29 November 2013
Admission effective and commencement of dealings in the Enlarged Share Capital and Warrants on AIM	5 December 2013

All future dates referred to in this document are subject to change at the discretion of the Company and Allenby Capital. All times are UK times unless otherwise specified.

ADMISSION STATISTICS

Aggregate number of A Preference Shares, B Preference Shares and Ordinary Shares in issue at the date of this document ¹	72,978,486
Number of Ordinary Shares created on Admission pursuant to the redesignation of the B Ordinary Shares ²	23,165,488
Number of Admission Subscription Shares	6,137,500 ³
Number of Ordinary Shares in issue at Admission	102,281,474
Market capitalisation of the Company on Admission at £1.00 (being the approximate pounds sterling equivalent price at which shares were last issued pursuant to the Second 2013 Placing) per Ordinary Share	£102,281,474
Number of Warrants in issue at Admission (excluding the Post-Admission Subscription Warrants)	9,570,987
Warrants (excluding the Post-Admission Subscription Warrants) as a percentage of Enlarged Share Capital	9.36 per cent.
Number of outstanding Share Options and Warrants at Admission	11,060,987
Number of Post-Admission Subscription Shares ⁴	281,250
Number of Post-Admission Subscription Warrants ⁴	281,250
TIDM/“ticker” symbol for the Ordinary Shares	NLG
TIDM/“ticker” symbol for the Warrants	NLGW
ISIN for the Ordinary Shares	GB00BGDFBC25
ISIN for the Warrants	GB00BGDFLX36

¹ The A Preference Shares and B Preference Shares will be redesignated as Ordinary Shares on a one-for-one basis, immediately prior to but conditional on Admission.

² There are currently 45,000,000 B Ordinary Shares in issue which will be redesignated as 23,165,488 Ordinary Shares and 21,834,512 Deferred Shares on Admission, in accordance with the terms of the acquisition of Data2Text, further details of which are contained in paragraph 13.3 of Part VI of this document.

³ The Admission Subscription Shares represent 6.00 per cent. of the Enlarged Share Capital.

⁴ To be issued by 20 December 2013 pursuant to the terms of the Post-Admission Subscription.

EXCHANGE RATES

The following illustrative exchange rates are set out to assist the understanding of this document:

GBP 1:1.6 USD

DIRECTORS, SECRETARY AND ADVISERS

Directors	Stuart Whitney Rogers Simon Francis Small Sharon Kay Daniels Wayne Thornhill Michael James Higgins Paul Damian Kidney	<i>Chairman and Chief Executive Officer</i> <i>President</i> <i>Chief Marketing Officer</i> <i>Chief Financial Officer</i> <i>Non-executive Director</i> <i>Non-executive Director</i>
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All of:
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Company Secretary Thomas Makeig

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Telephone: +44(0) 20 7100 4540

Website www.arria.com

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Solicitors to the Company as to laws of England and Wales **Travers Smith LLP**
10 Snow Hill
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United Kingdom

Solicitors to the Company as to laws of New Zealand **Chapman Tripp**
10 Customhouse Quay
Wellington 6140
New Zealand

Solicitors to the Company as to US securities law **Lathrop & Gage LLP**
2345 Grand Blvd. Suite 2200
Kansas City
MO, 64108
United States of America

Solicitors to the Company as to intellectual property law **Alston & Bird LLP**
Bank of America Plaza
101 South Tryon St, Suite 4000
Charlotte
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United States of America

Solicitors to Allenby Capital **Pinsent Masons LLP**
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New Zealand

Reporting accountants

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1 Embankment Place
London WC2N 6RH
United Kingdom

Auditors

PricewaterhouseCoopers LLP

1 Embankment Place
London WC2N 6RH
United Kingdom

Registrars

Equiniti Limited

Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
United Kingdom

Financial public relations

Walbrook PR Limited

4 Lombard Street
London EC3V 9HD
United Kingdom

DEFINITIONS

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

“2012 Placing”	the private offering of A Preference Shares by the Company to raise US\$20,000,000 at a subscription price of US\$1.00 per A Preference Share, which completed on 11 January 2013;
“A Preference Shares”	the A preference shares of £0.001 each in the share capital of the Company;
“Admission”	the admission of the Enlarged Share Capital and Warrants to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
“Admission Document”	this admission document;
“Admission Subscriptions”	the irrevocable subscriptions for, in aggregate, 6,137,500 Ordinary Shares and 6,137,500 Warrants at a subscription price of US\$1.60 per share, conditional upon Admission;
“Admission Subscription Shares”	the 6,137,500 Ordinary Shares to be issued pursuant to the Admission Subscriptions;
“Admission Subscription Warrants”	the 6,137,500 Warrants to be issued pursuant to the Admission Subscriptions;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange containing the rules and responsibilities of companies with securities admitted to AIM;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange;
“Allenby Capital”	Allenby Capital Limited;
“Arria NLG Engine”	NLG software technology produced by the Group, adapted to various applications;
“Articles”	the articles of association of the Company, adopted conditionally on Admission;
“Big Data”	a collection of data so large and complex that it becomes difficult to manage, process or analyse using conventional database management processes;
“Board” or “Directors”	the directors of the Company whose names are set out on page 5 of this Document;
“B Ordinary Shares”	the B ordinary shares of £0.001 each in the share capital of the Company, which upon Admission will be redesignated (as a class) into approximately 22.65 per cent. of the issued ordinary share capital of the Company;
“B Preference Shares”	the B preference shares of £0.001 each in the share capital of the Company;
“Centre”	the Arria NLG Centre of Aberdeen University;

ARRIA

“Co-Founders”	Robert Craig, Sharon Daniels, Steve Dunlop, Matthew Gould, Christopher Hardy, Brian Henry, Gerald Henry, David Lloyd, Thomas Makeig, Michael Mayell, Stuart Rogers and Simon Small;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Company” or “Arria NLG”	Arria NLG plc, registered in England and Wales with company number 7812686 and whose registered address is at Space One, 1 Beadon Road, Hammersmith, London W6 0EA;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
“Current Articles”	the articles of association of the Company (adopted upon re-registration as a public company on 7 November 2013) in force at the date of this document and to be replaced on Admission by the Articles;
“Current Employee Options”	the options granted to Data2Text and Company employees in respect of a total of, in aggregate, 840,000 Ordinary Shares (further details of which are set out in paragraph 2.11 of Part VI of this document);
“Current Executive Options”	the options granted to Wayne Thornhill and Dr Tony Edwards in respect of a total of, in aggregate, 650,000 Ordinary Shares (further details of which are set out in paragraph 2.10 of Part VI of this document);
“Data2Text”	Data2Text Limited, registered in Scotland with company number SC355243 and whose registered address is at Johnstone House, 52-54 Rose Street, Aberdeen AB10 1HA (a wholly owned subsidiary of the Company);
“Data2Text Acquisition Shares”	the 45,000,000 B Ordinary Shares issued to the Data2Text Founders on 25 October 2013 in part consideration for the acquisition of the remaining 80 per cent. of Data2Text not already owned by the Company;
“Data2Text Founders”	Ian Peter Davy, Ehud Baruch Reiter, Somayajulu Gowri Sripada, John Michael Perry and the University of Aberdeen;
“Data2Text Transaction”	the subscription, in May 2012, by the Company for 20 per cent. of the issued share capital of Data2Text and the entering into of the option to acquire the entire issued share capital of Data2Text;
“Deferred Shares”	21,834,512 deferred shares of £0.001 in the Company;
“Diligent”	Diligent Board Member Services, Inc.;
“Disclosure and Transparency Rules”	the Disclosure Rules and Transparency Rules made by the FCA under FSMA;
“DTR 5”	disclosure and transparency rule 5 as set out in the FCA Handbook;
“Enlarged Share Capital”	the issued share capital of the Company on Admission (other than the Deferred Shares), which will comprise 102,281,474 Ordinary Shares;

“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Executive Directors”	Stuart Rogers, Simon Small, Sharon Daniels and Wayne Thornhill;
“FCA” or “Financial Conduct Authority”	the UK Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (including any regulations made pursuant thereto);
“FCA Handbook”	the rules and guidance published by the FCA from time to time under the powers given to it by FSMA;
“First 2013 Placing”	the private offering of A Preference Shares by the Company, raising US\$4,506,250 at a subscription price of US\$1.25 per A Preference Share, which completed on 31 August 2013;
“FPO”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;
“FSMA”	the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto;
“Global IP Acquisition Shares”	the 5,077,574 B Preference Shares issued in consideration for the acquisition of Global IP, Inc.;
“Global IP, Inc.”	Global IP, Inc., a Nevada corporation incorporated on 28 September 2011 (a wholly owned subsidiary of the Company);
“Group” or “Arria”	the Company and its subsidiaries;
“IFRS”	international financial reporting standards;
“ISIN”	international security identification number;
“Listing Rules”	the listing rules related to admission to the Official List;
“Lock-in Agreements”	the agreements between the Company, Allenby Capital and various parties, further details of which are contained in paragraph 13.17.1 of Part VI of this document;
“London Stock Exchange”	London Stock Exchange Group plc;
“Nominated Adviser and Broker Agreement”	the agreement dated 29 November 2013 between (1) the Company, (2) the Directors and (3) Allenby Capital, further details of which are set out in paragraph 13.19 of Part VI of this document;
“NLG”	natural language generation, the process of analysing and converting Big Data into actionable information through written language;
“NZ\$”	New Zealand dollars, being the lawful currency from time to time of New Zealand;
“NZX”	New Zealand Stock Exchange;
“Official List”	the Official List of the UK Listing Authority;
“Orderly Market Agreements”	the agreements between the Company, Allenby Capital and various parties, further details of which are contained in paragraph 13.17.2 of Part VI of this document;
“Ordinary Shares”	ordinary shares of £0.001 each in the share capital of the Company;

“Panel”	the Panel on Takeovers and Mergers;
“Post-Admission Subscription”	the irrevocable subscription for 281,250 Ordinary Shares and 281,250 Warrants at a subscription price of US\$1.60 per share, at any time following Admission but prior to 20 December 2013;
“Post-Admission Subscription Shares”	the 281,250 Ordinary Shares to be issued pursuant to the Post-Admission Subscription;
“Post-Admission Subscription Warrants”	the 281,250 Warrants to be issued pursuant to the Post-Admission Subscription;
“Prospectus Rules”	the prospectus rules of the Financial Conduct Authority made under Part VI of the FSMA;
“Registrar”	Equiniti Limited;
“SaaS”	software-as-a-service, being a software licensing business model adopted by some software companies;
“SEC”	the US Securities and Exchange Commission;
“Second 2013 Placing”	the private offering of A Preference Shares (together with the issuance of the Warrants) by the Company raising US\$15,763,579 at a subscription price of US\$1.60 per A Preference Share, which completed (save as to the Admission Subscription Shares and the Post-Admission Subscription Shares) on 12 November 2013;
“Second 2013 Placing Shares”	the 3,433,487 A Preference Shares which were issued to investors between 30 September 2013 and 13 November 2013 as part of the Second 2013 Placing;
“Shareholder”	a holder of Shares in the Company from time to time;
“Shares”	the Ordinary Shares, the B Ordinary Shares, the A Preference Shares and the B Preference Shares;
“Share Options”	the Current Executive Options and the Current Employee Options;
“Shell”	Shell Exploration and Production Company;
“SQM3”	a retail optimisation technology concept for software products to be sold to retailers using a SaaS business model;
“Subscriptions”	together, the Admission Subscription and the Post-Admission Subscription;
“Subscription Price”	\$1.60, being the price at which the Subscription took place;
“Subscription Shares”	the Admission Subscription Shares and the Post-Admission Subscription Shares;
“Subscription Warrants”	the Admission Subscription Warrants and the Post-Admission Subscription Warrants;
“Subsidiary”	as defined in sections 1158 and Schedule 6 of the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers published by the Panel;
“UK Corporate Governance Code”	the United Kingdom Corporate Governance Code published in June 2010 by the Financial Reporting Council;

“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“University of Aberdeen”	the University Court of the University of Aberdeen, a charity registered in Scotland with registration number SCO13683;
“US”, “USA”, or “United States”	the United States of America;
“US Securities Act”	the US Securities Act of 1933, as amended;
“US\$”	United States dollars, being the lawful currency from time to time of the United States of America;
“Warrants”	the 9,852,237 warrants to subscribe for Ordinary Shares at a subscription price of £1.33 each of which were either issued on a one-for-one basis with the Second 2013 Placing Shares as part of the Second 2013 Placing or will be issued on a one-for-one basis upon issue of the Admission Subscription Shares and the Post-Admission Subscription Shares;
“Warrant Instrument”	the warrant instrument authorising the Company to issue up to 16,000,000 Warrants, dated 27 November 2013 and summarised in Part V of this document; and
“£” or “GBP”	pounds sterling, the lawful currency from time to time of the United Kingdom.

PART I

INFORMATION ON THE GROUP

1. Introduction

Arria is a software development business. Its target is to be the global leader in the development and deployment of mission critical, core industrial, enterprise level natural language generation software technologies. The Group's core product is known as the Arria NLG Engine.

Global corporations are having to deal with an ever-growing amount of data resulting from the digitisation of transactions and industrial processes and from technological advancements in data capture. Computer networks are now producing and storing digital data at such a rate that this data is becoming increasingly difficult to be fully utilised. This development and the challenge to make optimal use of this data has become known as "Big Data".

The market opportunity for the Arria NLG Engine has grown substantially through the emergence of the Big Data phenomenon.

Natural language generation (or NLG) is the computerised process of analysing and converting Big Data into actionable information. The Arria NLG Engine is a form of artificial intelligence, specialised in communicating information which is extracted from complex data sources in natural language (i.e. as if written by a human). The Arria NLG Engine comprises of two main elements:

- a language-driven analytics side that is programmed to embody the expert knowledge of the domain in which it operates; and
- a natural language generation side, which embodies the skill required to communicate information articulately using natural language.

This combination of analytics and natural language generation means it can be used to automatically generate written reports in potentially any language for any audience that reads as if written by an expert in the field. The Directors believe that the Arria NLG Engine provides value where many Big Data analytical tools are limited at the human-machine interface, being the point at which analytic results are communicated to humans. The Arria NLG Engine automatically communicates results, not in numbers or graphics that may require further analysis and explanation, but in narratives that are designed to read as if written by a human expert.

Although it is early days for the Group's business, its technology is already deployed in a mission critical environment, monitoring large scale industrial machinery located on oil and gas production platforms in deepwater Gulf of Mexico for a major global oil and gas company and at a government meteorology service.

The scientific foundation for the Arria NLG Engine has been developed over the past four years, but is based on more than 20 years of research and knowledge gained by the Data2Text Founders at the University of Aberdeen. In 2009, the Data2Text Founders formed Data2Text to develop and commercialise various NLG technologies. Since 2009, the Data2Text science and technology team has continued to develop the commercial potential of its NLG software technologies, culminating in the Arria NLG Engine.

The Company has been working with Data2Text since May 2012 when it acquired a 20 per cent. interest in Data2Text and was granted an option to acquire the remaining 80 per cent. On 25 October 2013 the Company acquired the remaining 80 per cent. of Data2Text shares for a consideration of £3,125,000 and the issue of the Data2Text Acquisition Shares. On Admission, the Data2Text Acquisition Shares will be redesignated as 23,165,488 Ordinary Shares, representing approximately 22.65 per cent. of the Enlarged Share Capital.

2. Key strengths

The Directors believe that the Group has the following key strengths:

- it is a prominent leader in NLG science and its commercial application;
- many opportunities exist for commercial application of NLG in the automation of analysis and reporting on large data sets for large enterprises, as well as many other applications across a wide variety of industries;
- it has a commitment to continue building a robust and pioneering patent portfolio in NLG;

- it has deployed the Arria NLG Engine with a major global oil and gas company and a government meteorology service; and
- it has an experienced team with success in software start-ups, change management, global business-to-business branding, marketing and sales.

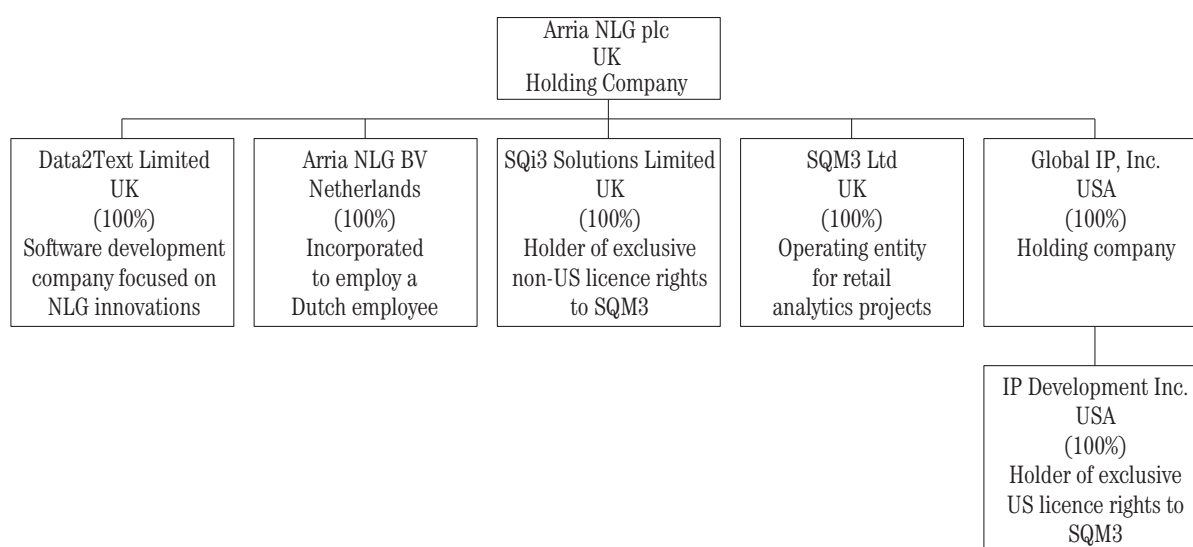
3. History and overview of the Group

The Company was incorporated in October 2011 and commenced operations in March 2012. Several of the Co-Founders have previously worked together in establishing, and subsequently listing on the New Zealand Stock Exchange, Diligent – a SaaS company which, as at the date of this document, is a component of the NZX50 with a market capitalisation of over NZ\$325m.

The initial focus of the Company was the development of retail optimisation software technology, known as SQM3. This led to the Company agreeing to acquire intellectual property rights and global licensing rights related to such technology, through the acquisition of SQi3 Solutions Limited, which completed on 28 September 2012 and the acquisition of Global IP, Inc. (together with its wholly owned subsidiary IP Development, Inc.), which completed on 25 October 2013. SQM3 is a retail optimisation concept which analyses large volumes of retail sales data enabling retailers to view the layout of their critical sales space in terms of margin contribution and “best effort” bottom line results. The intellectual property has not been commercialised to date. Details of these acquisitions are set out in paragraphs 13.7 and 13.12 of Part VI of this document. As a result of the opportunities presented by the Arria NLG Engine, the Group has deferred plans to further develop and commercialise SQM3 in the near future.

During 2012, the Company expanded its scope to embrace the development and commercialisation of NLG technology when it identified an opportunity presented by Data2Text. In May 2012, the Company acquired an initial 20 per cent. stake in Data2Text and entered into an option to purchase the balance of the shares in Data2Text. On 25 October 2013 the Company acquired the remaining Data2Text shares not owned by it for a consideration of £3,125,000 and the issue of the Data2Text Acquisition Shares which, on Admission, will be redesignated as 23,165,488 Ordinary Shares. Further details of this acquisition and related arrangements are set out in paragraph 13.6 of Part VI of this document.

The Group’s structure is set out below:



Since its incorporation, the Company has raised approximately US\$40 million in equity finance to expand the business, invest in research and development and prepare the Company for flotation on a stock market, as well as for working capital; between July 2012 and January 2013, the Company carried out the 2012 Placing which raised US\$20,000,000 (approximately £12,500,000) (of which US\$1,080,000 was by way of conversion of existing loans and loan notes into equity), the First 2013 Placing raised US\$4,506,250 (approximately £2,816,406) and the Second 2013 Placing raised US\$15,763,579 (approximately £9,852,237), of which

US\$9,820,000 (approximately £6,137,500) is conditional on Admission and a further US\$450,000 (approximately £281,250) is payable at any time prior to 20 December 2013. Further details of the Subscriptions are set out below in paragraph 14 of this Part I. Having originally planned a listing on the NZX, the Company decided earlier this year that it was more appropriate to pursue admission to trading on AIM.

4. Overview of the Group's technology – the Arria NLG Engine

The Arria NLG Engine is an advanced computational linguistics software application that permanently captures in software the “best practice” knowledge and expertise of an organisation’s most experienced experts and analysts. The Arria NLG Engine is able continuously to ingest data inputs from multiple, complex systems and technology platforms from any point in a process or service delivery stack and from such inputs generate automated, expert narrative analysis. The Arria NLG Engine automatically generates rich and technically relevant real-time narrative reports that:

- report in a consistent manner and according to the style and usage appropriate to the recipient, whether an engineer, nurse, derivatives trader or other pre-determined group of people;
- can be tailored to different audiences or users;
- can be written in potentially any language; and
- can be delivered to potentially any portal or through potentially any digital means.

What problem does the Arria NLG Engine help to solve?

Large enterprises, having installed microchips, sensors and complex computer systems to monitor operational activities and transactions, are increasingly challenged to effect timely collation and analysis of the vast quantities of numeric data flowing from such systems. The amount of data produced is frequently far more voluminous and complex than can be made full use of by humans in order to improve process and performance. One of the primary reasons for this is that computers and machines do not communicate with each other or humans in words; they communicate in numbers. Machines are creating vast volumes of numeric data that is increasingly difficult for human beings to absorb.

It is the Directors’ belief that most current solutions to this problem reduce these vast sets of numbers to smaller sets of numbers and report them as numeric summations in the form of tabulated reports such as spreadsheets and/or visualisations such as graphs and charts. Consequently, experts who know what the numbers mean are required to review, analyse and interpret the numeric summations and the reports generated by the machines and computers, effectively “translating” the meaning of the numbers into a written narrative appropriate to the audience. These experts therefore remain a critical component in the monitoring system itself. Further, as there is often a large amount of data flowing in, it can be challenging for the experts to analyse it all and in a timely manner. The current approach, therefore, is subject to human limitations. By way of example:

- expert engineers need to analyse data streams flowing from sensors monitoring the performance of mission critical equipment on, for example, multi-billion dollar deepwater oil and gas platforms and provide actionable instructions to managers, engineers and operators on the platforms;
- expert meteorologists need to review and interpret all of the numeric data pouring in from global, regional and local weather sensors and then write weather reports for specific areas, time periods and audiences; and
- specialist physicians in a neonatal ward need to review and interpret all of the numeric data streaming from the probes and sensors monitoring a premature baby and then communicate its meaning to other doctors, nurses, administrators and family members.

The Directors believe that as the volume, velocity and complexity of these data flows increase, a global shortage of experienced human experts capable of analysing them is being created. As a result, there is an increasing need to automate the surveillance, analysis and management of large, complex data flows.

A report¹ in 2011 by management consultants McKinsey & Co. stated that:

¹ James Manyika, Michael Chui, Brad Brown, Jacques Bughin, Richard Dobbs, Charles Roxburgh and Angela Hung Byers, “Big Data: The Next Frontier for Innovation, Competition, and Productivity”, May 2011, McKinsey Global Institute.

“A significant constraint on realising value from Big Data will be a shortage of talent, particularly of people with deep expertise in statistics and machine learning, and the managers and analysts who know how to operate companies by using insights from Big Data. In the United States, we expect Big Data to rapidly become a key determinant of competition across sectors. But we project that demand for deep analytical positions in a Big Data world could exceed the supply being produced on current trends by 140,000 to 190,000 positions. Furthermore, this type of talent is difficult to produce, taking years of training in the case of someone with intrinsic mathematical abilities. Although our quantitative analysis uses the United States as illustration, we believe that the constraint on this type of talent will be global, with the caveat that some regions may be able to produce the supply that can fill talent gaps in other regions.”

Consistent with this view, the Directors believe that the real issue is not Big Data itself, but rather the predicted shortage of experts available to analyse the data and interpret increasingly sophisticated numeric summations. The Directors believe that, as automation of data accumulation has intensified the Big Data problem, only the automation of data analysis and reporting can solve the problem. The Directors believe the solution is to go from “numbers” directly to “narrative”, from data to text, to have the machines analyse the data and produce the expert narrative.

The Directors believe that the Arria NLG Engine can be part of this solution.

How does the Arria NLG Engine help to solve challenges posed by Big Data?

The Arria NLG Engine is an advanced software technology which through knowledge capture, data analysis and communication seeks to emulate the analysis and reporting performed by experts working within the relevant enterprise. It analyses large sets of data and makes sense of them. It can automatically make large sets of data communicate directly to users, not in numbers or spreadsheets that require further analysis and explanation, but in rich, compelling narratives intended to replicate what would have been written by those experts.

The Arria NLG Engine is built upon over 20 years’ of research in natural language processing that aims to codify how human beings use language. The Group’s experts in artificial intelligence and computational linguistics between them have over 70 years’ experience modelling the processes involved in language production and have simulated key aspects of these processes in the Arria NLG Engine.

Knowledge capture

The Arria NLG Engine can be programmed to:

- incorporate an expert’s knowledge as to what is important about the data;
- incorporate the reasoning processes which an expert would use in analysing the data;
- enable the “best practice” knowledge of an organisation’s most experienced experts to be permanently captured in the software, allowing the most efficient use of its scarce resources of expertise and avoiding knowledge loss when staff leave;
- improve quality control by standardising analytic and reporting practice;
- enable the knowledge of expert resources at the centre of an organisation to be distributed to the operational edges of the organisation; and
- reduce the effects of expert down-time.

Analysis

A key objective of Big Data analytics is to enable plain English narratives to be formed which can be used by people to make better decisions and to work more efficiently, adding value to business. Today, this process of producing what is known as “actionable analytics” still depends on intervention by human experts. The shortage of such human experts is a significant limitation on releasing the value locked within Big Data. The Arria NLG Engine has the potential to unlock that value by effectively undertaking the expert’s role.

ARRIA

Communication

The Arria NLG Engine can automatically communicate its conclusions in actionable plain English narratives which one would believe were written by an expert member of the organisation staff. The Arria NLG Engine is a force multiplier, since, once embodied in software, the expert knowledge can be replicated effectively. This allows the Arria NLG Engine to do the work of many experts, 24 hours a day, seven days a week, 365 days a year.

How does the Arria NLG Engine work?

The Arria NLG Engine has two elements: one part acts as the analyst, making sense of data from which it draws conclusions; the other part acts as a narrator, communicating those conclusions.

The analyst (the data analytics component)

Humans constantly apply their knowledge and expertise to situations to make sense of the data presented to them. In every domain of activity, humans compare their past experience with the real time inputs of their senses in order to understand the world around them and to make decisions about what to do next. Over time humans effectively become experts in making these decisions, so that they can draw conclusions effortlessly.

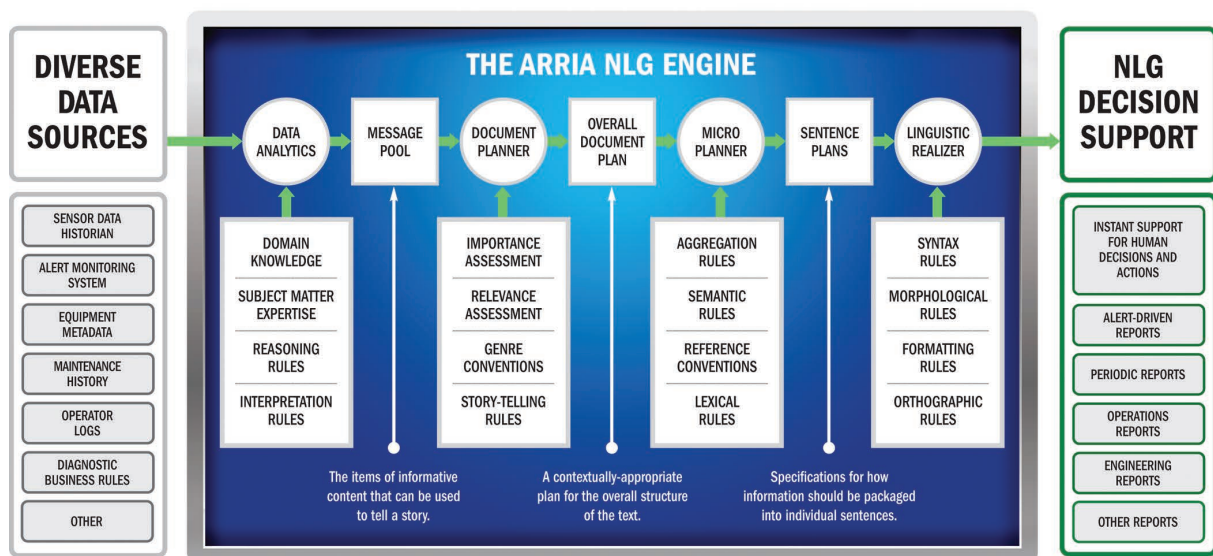
The same kinds of thought processes are carried out by, for example, engineers, doctors, meteorologists, and financial traders when they analyse the Big Data involved in their respective disciplines. The Arria NLG Engine captures and embodies these skills in the form of algorithms: recipes for carrying out tasks that indicate step-by-step how to achieve the required outcomes. The Group's software teams first learn how these experts analyse and interpret specific data sets to perform their roles on a daily basis, and then replicate these skills in the Arria NLG Engine.

The narrator (the NLG component)

The Arria NLG Engine communicates the results of the expert analysis carried out by its data analytics component in the same way as, for example, engineers write work orders, reports and recommendations and meteorologists write weather forecasts. This communication of the results of expert analysis is the other main part of the Arria NLG Engine. To do this, the Arria NLG Engine makes use of codified knowledge of how language works, all the way from how texts should be organised at a high level, down to the specific words that should be used to appropriately communicate concepts to any given audience.

It is the link between data analytics and human-like communication that makes the Arria NLG Engine such a powerful tool.

The following diagram provides an overview of the component processes of the Arria NLG Engine.



5. Research and development and the University of Aberdeen

The University of Aberdeen is one of the world's leading institutions in the field of NLG with its ties to the study and development of language going back over 500 years. In 2009, the Data2Text Founders formed Data2Text in order to realise the global commercial potential of its breakthrough NLG software. The Company went on to acquire Data2Text on 25 October 2013, having worked with it since May 2012.

On 1 May 2012, Arria, the University of Aberdeen and Data2Text signed a charter that formed the Arria NLG Centre of the University of Aberdeen within its Computing Sciences department. The role of the Centre is to encourage the generation of new research within the field of NLG and related disciplines. The first Arria fellow, a PhD student in computer science who is also employed by Data2Text, has taken up his place upon the initiative of the Centre. The Directors anticipate future activities of the Centre will include encouragement and funding of new research and funding of additional Arria fellows.

The primary focus of the Group's research and development is in relation to the enhancement of the capabilities of the Arria NLG Engine in the fields of oil and gas and meteorology for its existing customers, as well as the development of the Arria NLG Engine for applications in other industries, such as financial services and healthcare.

The Directors believe that Arria has amassed a leading concentration of NLG expertise and that the Group is in a strong position to provide customers with unprecedented access to NLG technologies. Based on this competitive advantage, the Group aims to build one of the strongest NLG patent portfolios in the world.

Intellectual Property

The Group's products consist of NLG insights embodied in software. The products constitute a substantial investment of human and financial capital, for which the Group seeks comprehensive protection.

The Group protects its software by limiting the rights licensed to customers, precluding access to source code, asserting copyright and trade secret protections and maintaining a rigorous regime of:

- covenants by employees, contractors, suppliers, customers and prospects to protect confidential information of the Group;
- covenants restricting competition by employees and contractors;
- employment policies protecting the Group's confidential information; and
- assignment of all Group-related inventions and other intellectual property generated by or with the participation of employees and contractors.

Software products and their components are developed on dedicated servers and security controls consistent with the Group's stage of development are pursued.

In addition, the Group has made a substantial and continuing investment in seeking patent protection for its products. To date the Group has filed twenty patent applications under the PCT (Patent Cooperation Treaty) or the US Patent and Trademark Office and expects to file approximately 10 additional such applications each year through to 2017. Applications that result in issued patents in the first jurisdiction of filing will in most cases be extended with filings in approximately nine additional jurisdictions in reliance on the filing date of each issued patent, with the goal of creating a robust patent portfolio covering the most important global markets for the Group's products. The Company closely monitors patent applications and issued patents in its field, as well as reviewing publicly available source materials describing competition and developments in both industry and academia.

The Group's products and services are marketed strategically to project a unique global brand and domain names are reserved, trademark protection is sought and copyrights are reserved as appropriate.

6. Customers

The principal customers of the Group since inception, and at present, are a major global oil and gas company and a government meteorology service.

A major global oil and gas company, Shell, has, since September 2012, been deploying the Arria NLG Engine to provide automated NLG reports to its onshore engineering staff who remotely monitor rotating machinery located on deep water oil and gas platforms in the Gulf of Mexico. The Arria NLG Engine is currently deployed on 28 pieces of rotary equipment on six oil and gas platforms in the Gulf of Mexico. The Group is developing similar applications which will, inter alia, provide automated NLG reports directly to the offshore operators working on platforms. The Group is also developing software for Shell in other areas and for other types of equipment. The Group's current contracts with Shell (which were entered into in January 2013) run to 31 December 2013 and the Group has recently commenced discussions with Shell about renewing and expanding the terms of the existing contracts. Negotiations regarding Shell's 2014 statements of work and finalisation of these contracts are expected to progress during the first quarter of 2014. In addition, Shell has begun building awareness of the Group's NLG applications within its worldwide operations. However, there can be no guarantee that these contracts will be renewed and/or expanded or further work will be undertaken for Shell. Further details of the current contracts are set out in paragraphs 13.1 and 13.2 of Part VI of this document.

Since 2011, Data2Text has worked with the Met Office, the government weather service for the UK, to roll out several online weather reporting projects, that generate and report on worldwide weather data. Discussions are on-going as to future collaboration using or developing the NLG weather forecasting software that Data2Text has previously provided.

The Group's revenue model is based on clients not having ownership rights to the Arria NLG Engine, but having the right to use the software for a periodic fee under licence. The Company will also consider creating "off the shelf" NLG products focussed on specific capabilities and industries.

7. Strategy and objectives

The Group's objective is to be the global leader in the development and deployment of mission critical, core industrial, enterprise level analysis and natural language reporting on large data sets.

There are many potential uses for the Arria NLG Engine across a wide variety of industry verticals. The Group's focus is placed on those sectors that the Directors believe offer strong opportunities to generate revenue from both Arria NLG Engine licenses and professional services development work, including oil and gas, financial services, healthcare and meteorology. Specifically, the industry verticals of oil and gas and financial services are regarded by the Company as promising targets for early adopters of NLG technology. Both verticals exhibit maturity in the fields of analytical decision support and Big Data analytics. These verticals, therefore, currently form the main targets for sales activity and are likely to do so for the short-to-medium term. Further, the Group's immediate focus is on extending the existing relationship with Shell continuing to develop the vision of the "articulate" oil and gas platform and obtaining another oil and gas customer.

To best leverage expertise in the near-to-medium term, the Group's sales team will seek additional customers that exhibit a similar operational profile as existing customers. Neither of the Group's customers has exclusivity in its business vertical and the Group intends to maintain this position.

8. Competition and the NLG market

The Directors believe Arria is currently the only market participant offering automatic narrative textual reporting as a solution to the problem of understanding large sensor data sets in core industrial and mission critical environments. In the longer term, as the Group expands beyond this market into other uses of NLG technology, the Directors envisage the Group's competition coming broadly from four directions:

- firms that offer automated text-based reporting in a variety of industry sectors, including Narrative Science Inc., Automated Insights Inc., and Yseop Inc.;
- firms such as Jaspersoft Corporation and Tableau Software that offer "dashboards" and graphic outputs linked to analytic results generated either by the same firm or by others;
- firms that offer analysis of large data sets without emphasising automation of reporting. This category includes many of the largest software, consulting and engineering firms, such as SAS, SAC, Microsoft and IBM, as well as smaller innovative companies like Splunk! and Palantir; and

- firms that specialise in analytic techniques for use in specific industry sectors, such as Verdande Technology AS in the oil and gas sector.

The Directors consider that the benefits that these firms purport to offer to customers overlap to varying degrees. All are addressing Big Data challenges by offering automated data analysis or reporting or both. To meet the Big Data challenge, many firms emphasise new “data mining” or related data analysis techniques. Some firms offer a form of NLG although many simply offer graphical outputs such as “dashboards” to communicate analytic results. The Directors have not identified any firm that offers NLG reporting that approaches the sophistication of the Group’s NLG solutions or the Arria NLG Engine.

The Directors believe that success for all entrants to the Big Data field requires them, acting as integrators or offering components of a package of solutions, to provide reliable automation software performing needed analytic tasks and producing practical results that businesses can readily use. Some applications require extremely sophisticated, cutting-edge analytics from the frontiers of data science. Other applications require readily available analytics and do not require sophisticated reporting methods. The Directors believe that many businesses will respond well to software products that offer valuable automation of analytics and usable NLG reports at a reasonable price with a modicum of customisation and a high degree of reliability. This is the value proposition that the Group seeks to offer and the Directors believe that it can gain the Group a significant share of this expanding market.

9. Summary financial information

Parts III and IV of this document include consolidated audited financial statements for the Group from incorporation to 31 March 2013 and for Data2Text for the period to 30 September 2012 and which was consolidated into the Group results from 1 May 2012. The information below has been extracted, without material adjustment, from the financial information in Parts III and IV of this document:

Arria

The table below summarises the trading results for the Group for the period from incorporation on 17 October 2011 to 31 March 2012 and 30 September 2012 and the six months ended 31 March 2013:

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period from 17 October 2011 to 31 March 2012 £</i>	<i>Period from 17 October 2011 to 30 September 2012 £</i>
Revenue	210,013	–	62,554
Cost of sales	(67,350)	–	(33,453)
Gross profit	142,663	–	29,101
Total administrative expenses	(7,429,590)	(449,736)	(6,541,675)
Operating loss	(7,286,927)	(449,736)	(6,512,574)
Loss before tax	(7,295,439)	(449,736)	(6,519,853)
Taxation credit	146,050	–	248,707
Loss for the period	<u>(7,149,389)</u>	<u>(449,736)</u>	<u>(6,271,146)</u>

Data2Text

The table below summarises the trading results for Data2Text for the years ended 28 February 2011 and 2012 and the 7 months ended 30 September 2012 and which have been consolidated into the financial information of the Group from 1 May 2012 and have, therefore, been included in the financial information above from that date:

	<i>7 months ended 30 September 2012 £</i>	<i>Year ended 29 February 2012 £</i>	<i>Year ended 28 February 2011 £</i>
Revenue	304,111	294,359	264,824
Cost of sales	(40,787)	(44,998)	(23,383)
Gross profit	263,324	249,361	241,441
Other operating income	173	35,645	10,294
Administrative expenses	(311,877)	(280,307)	(187,718)
Operating (loss)/profit	(48,380)	4,699	64,017
Loss before tax	(48,488)	4,700	64,016
Income tax	-	(1,435)	(11,798)
(Loss)/profit for the period	(48,488)	3,265	52,218

This information relates to past performance. Past performance is not a reliable indicator of future results.

10. Current trading and prospects

The unaudited management accounts for the Group show revenues of approximately £590,000 for the six months ended 30 September 2013, which are predominantly related to contracted usage and development fees charged to its major oil and gas customer. Average net operating costs over that period, excluding depreciation, amortization, share based payment charges, non-recurring professional fees and other transactional costs, were approximately £500,000 per month, which the Directors believe to be commensurate with securing the opportunity at hand and supporting the Group's customers' stated plans.

The unaudited management accounts show a net increase in cash and cash equivalents during the six months to 30 September 2013 of approximately £79,000 and at that date, the Group had approximately £3.9 million of cash and cash equivalents on its balance sheet (including the proceeds of the First 2013 Placing and approximately £1,475,000 received from the Second 2013 Placing).

The Company has continued to incur a significant amount of professional fees in connection with its fund raising activities and in preparing for Admission. At 30 September 2013, approximately £650,000 of these costs had been deferred and held on the balance sheet in anticipation of Admission, after which these costs will be charged to share premium account.

Negotiations for the renewal and expansion of the existing contracts with the Group's major oil and gas customer beyond 31 December 2013, details of which are provided in paragraphs 13.1 and 13.2 of Part VI of this document, commenced in the fourth quarter of 2013 and, if successful, the Directors are confident this will result in increased revenues from this customer as the financial impact of their anticipated roll-out takes effect. However, there can be no guarantee that the contracts will in fact be renewed and/or expanded or further work will be undertaken for this customer. Other sources of revenue are being explored as set out in paragraph 7 of this Part I.

11. Directors and key management

Directors

Stuart Rogers (aged 57) *Chairman and Chief Executive Officer*

Stuart Rogers, a co-founder of Arria NLG, has extensive global business experience focused on strategic development, new market entry, complex corporate, regulatory and governmental negotiations and mergers and

acquisitions. Stuart began his career at Nuveen Investments in 1978 rising to Managing Director of online financial services before moving to American International Group (“AIG”) in 2000. At AIG, he spent four and a half years as President of AIG Financial Advisor Services, expanding its global operations through product and distribution development. He spent a further four and a half years as Executive Vice President and Chief Strategy Officer for the AIG Advisor Group, at the time, the second largest broker dealer network in the US. For three years prior to joining the Company, Stuart was President of a Washington DC-based private wealth-management firm. Stuart graduated summa cum laude with a degree in computational mathematics and theatre history from Tufts University, Massachusetts in 1978. He earned an MBA from the University of Chicago, Illinois in 1988, with concentrations in finance and strategy.

Pursuant to resolutions of the Board on 19 November 2013, Mr Rogers will be appointed as a member of the Group’s audit committee and has been appointed as a member of the remuneration committee.

Simon Small (aged 43), *President*

Simon Small is a founding director of the Company, has been on the board of Data2Text since May 2012 and is on the board of the Arria NLG Research Centre at the University of Aberdeen. Simon was one who first identified and introduced Data2Text to the Company and was a member of the team that led to the acquisition of the Company’s interest in Data2Text. He helped establish and build the Diligent Boardbooks business (a business that provides automated board books to enterprises) in Europe, Middle East and Africa (“EMEA”) over five years from May 2007 until April 2012, including the signing on of 25 FTSE 100 companies, as well as the boards of leading European financial institutions. Prior to establishing Diligent’s EMEA business, Simon had 12 years’ experience in a wide range of international management and consulting positions largely focused on delivering technology innovations in broadcasting for major media companies. He has a bachelor’s degree in broadcast communications from the New Zealand Broadcasting School in Christchurch, New Zealand. He is a member of the Institute of Directors in the United Kingdom and the Worshipful Company of International Bankers in the City of London. Having spent more than 12 years in the UK, Simon now lives in New Zealand.

Sharon Daniels (aged 51), *Chief Marketing Officer*

Sharon Daniels is a member of the shareholder group that founded Arria NLG. She has over 20 years’ experience in branding and strategic business development. She also has extensive international experience with technology and financial service companies and has consulted to global giants including AIG, ConAgra and Flextronics. Sharon is a founder of Diligent and served on the Diligent board through 2010, where she also held an executive position as Chief Marketing Officer responsible for creating and maintaining the Diligent global brand and the Diligent Boardbooks graphical user interface. She was instrumental in developing and managing the strategic direct mail programme that substantially impacted the global expansion of Diligent. Prior to joining the Diligent Partners Consulting Group, Sharon was a vice president at the US-based company PaperDirect, Inc. where she was instrumental in growing sales from US\$5 million to US\$120 million within a 3-year period. This growth led to Deluxe Corporation acquiring PaperDirect for US\$100 million. Sharon Daniels lives in New Jersey, USA.

Wayne Thornhill (aged 48), *Chief Financial Officer*

Wayne Thornhill is a Fellow of the Institute of Chartered Accountants in England & Wales and has extensive experience managing United Kingdom and international businesses, both public and private, through periods of rapid growth. He has experience of corporate transactions including preparing companies for flotation, re-listing, reverse-takeover, Class 1 transactions and mergers and acquisitions, and has handled both debt and equity fundraisings and refinancings. Prior to joining the Company, Wayne was Chief Financial and Operating Officer at Mofilm, overseeing commercialisation of the concept and, establishing operations in the US, India & China. Between 2008 and 2010 he was Chief Financial and Operating Officer of Static 2358 which was previously sold to NASDAQ-listed Open TV for approximately US\$59,000,000 in 2001, when Wayne was CFO. From September 2007 to February 2008, he was Interim Chief Financial Officer at CC Media Networks Inc., a cross-platform media and technology business with trading operations in the United Kingdom, Europe, Hong Kong and the Philippines. He obtained his B.A. (Hons) in American History and Politics from the University of East Anglia in Norwich, England.

Michael James Higgins (aged 57), *Non-Executive Director*

Michael Higgins has over 25 years’ experience of advising and working with public companies. His experience includes a range of industries and transaction types from IPOs and fund raisings to acquisitions, disposals and restructurings. Michael is currently non-executive Chairman of Ebiquity PLC a provider of independent expertise

in data driven marketing, a senior independent director of Plant Healthcare PLC, a leading provider of novel patent protected biological products to the global agricultural market and also Chairman of the Quoted Companies Alliance. Michael also has interests in early stage businesses in the online publishing and medical services industries. Having obtained his degree in economics and politics from Cambridge University, Michael qualified as an accountant at Price Waterhouse (now PricewaterhouseCoopers LLP). He then gained experience in international banking with Saudi International Bank before joining Charterhouse, the merchant bank, in 1984. He became a Partner at KPMG LLP in 1996, and following his retirement from the partnership in 2006, spent five years as a senior adviser with them.

Pursuant to resolutions of the Board on 19 November 2013, Mr Higgins will be appointed as Chairman of the Group's audit committee and has been appointed as a member of the remuneration committee.

Paul Kidney (aged 55), *Non-Executive Director*

Paul Kidney is an entrepreneur involved in the payment processing industry. He has established pre-paid mobile payment operations in Ireland, South Africa and Algeria. Paul graduated from University College Dublin with an B.Comm Hons degree. He worked for the Irish Industrial Development Authority in Dublin and California, where his role was to target high growth companies in Silicon Valley and persuade them to establish European HQ's in Ireland. After that he founded one of the earliest campus companies at Trinity College Dublin specialising in satellite image processing and digital mapping. In the late 1990s he formed a joint venture with Eason & Co Ltd to migrate mobile phone top-ups from scratch card to electronic vouchers. In 2004 Paul established a similar operation in South Africa that went on to process pre-paid electricity transactions. He currently operates a significant payments network in Algeria. He is a member of the Institute of Directors.

Pursuant to resolutions of the Board on 19 November 2013, Mr Kidney will be appointed as a member of the Group's audit committee and has been appointed as the Chairman of the remuneration committee.

Key Management

The key managerial staff of the Company are:

Thomas Makeig, *Company Secretary and General Counsel*

Thomas Makeig has practiced US and international law in New York and Iowa for 31 years and is a Co-Founder. He is responsible for integrating and facilitating the Group's corporate structure, tax efficiency planning, intellectual property development, corporate governance and securities law compliance worldwide, while assisting with the documentation of transactions. Tom supervises and coordinates the contributions of tax, intellectual property and securities law specialists in meeting the Group's legal and strategic needs. Beginning in 2003, Tom represented various founding shareholders of the Company as well as the Diligent group of companies and its founders. Tom attended Cheadle Hulme school in Cheshire, England and received a first-class honours degree in French studies from the University of Kent at Canterbury, England and his JD degree from New York University School of Law. He is admitted to the practice of law in New York and Iowa, USA.

Matthew Gould, *Chief Strategy Officer*

Matthew Gould is responsible for monitoring competition and developing a strategic approach to ventures, strategic partnerships, business combinations, academic outreach and fundamentals of the Group's marketing strategy and is a Co-Founder. Matthew was, until February 2013, vice president of strategy at Arria Design Group Limited. Matthew oversaw the development of the demonstrator product for SQM3, the Group's retail analytics SaaS product. Matthew was part of the team that evaluated Data2Text as an acquisition candidate. Matthew has worked in the IT and communications industry for the last 20 years, holding senior positions with the Daily Mail Group in the UK, NEC in Japan, and Hewlett Packard in Sydney and the USA, where he achieved the title of Chief Strategy Officer Operations Americas. He was a senior vice president and member of HP America's M&A committee and had a lead role in identifying and qualifying acquisition targets. Matthew has degrees in Literary Theory and Theology from Canterbury University, New Zealand and an MBA from the Advanced Business Programme at Otago University, Dunedin, New Zealand.

Prof. Ehud Reiter, *Chief NLG Scientist*

Prof. Reiter is responsible for overall direction of technology development as well as supervision of specific NLG projects. He is Professor of Computing Science in the University of Aberdeen School of Natural and Computing

Sciences, founder of the University's NLG Research Group and a founder and director of Data2Text. Prof. Reiter co-authored with Dr. Robert Dale, Arria Chief NLG Strategy Scientist, "Building Natural Language Generation Systems". This seminal treatise was published in 2000 by Cambridge University Press. Prof. Reiter received his PhD degree from Harvard University in 1990.

Dr. Robert Dale, *Chief Technology Officer and Chief NLG Strategy Scientist*

Dr. Dale is responsible for the development of the Group's software products in relation to customer demand and developments in NLG. After 17 years at Macquarie University, New South Wales, where he was Professor in the Department of Computing, Director of the Centre for Language Technology and former director of the University's Microsoft Research Institute, Dr Dale joined Data2Text as its Chief NLG Strategy Scientist. He maintains an adjunct position at Macquarie University. He received his PhD from the University of Edinburgh in 1989, is author or editor of seven books and 160 papers on computational linguistics and is recognised as one of the world's foremost experts in the NLG field. His books include "Building Natural Language Generation Systems", which he co-authored with Prof. Reiter.

Dr. Somayajulu ('Yaji') Sripada, *Chief NLG Development Scientist*

Dr. Sripada is responsible for engineering and software applications and supervision of specific NLG projects. Dr. Sripada is a Senior Lecturer in Computing Science at the University of Aberdeen and a founder and director of Data2Text. Dr. Sripada is widely published on the subject of NLG and his papers are frequently cited. He is recognised as a leading NLG expert and received his PhD degree from the India Institute of Technology at Chennai in 1998.

12. Corporate governance

The UK Corporate Governance Code, which was updated in September 2012, applies only to companies on the Official List and not to companies admitted to AIM. However, the Directors recognise the importance of sound corporate governance and intend that the Company will comply with the provisions of the Corporate Governance Guidelines for Smaller Quoted Companies, as published by the Quoted Companies Alliance (the "Corporate Governance Guidelines"), insofar as they are appropriate given the Group's size and nature.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. Following Admission, the Group intends to hold Board meetings at least six times each financial year and at other times as and when required.

The Group has established properly constituted audit and remuneration committees (the audit committee being conditional upon Admission) of the Board with formally delegated duties and responsibilities.

The audit committee will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The audit committee will meet not less than three times in each financial year and will have unrestricted access to the Group's auditors. On Admission the members of the audit committee will be Michael Higgins, who will act as chairman of the committee, Paul Kidney and Stuart Rogers.

The remuneration committee reviews the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. The committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The committee will meet as and when necessary to assess the suitability of candidates proposed for appointment by the Board. In exercising this role, the Directors shall have regard to the recommendations put forward in the Corporate Governance Guidelines. On Admission the members of the remuneration committee will be Paul Kidney, who will act as chairman of the committee, Michael Higgins and Stuart Rogers.

Given the Group's current size, the Board has not considered it necessary to constitute a nominations committee and the Board as a whole will consider the appointment of directors of the Company.

13. Reasons for Admission

The Directors believe that the Group has reached a stage in its development where it will benefit from the Company being admitted to trading on a stock exchange and that this will:

- allow the Company to access equity capital as needed;
- improve the liquidity of the Company's existing share capital;
- enhance the perceived credentials of the Company with existing and potential customers;
- facilitate the recruitment of high calibre employees;
- support the development of the Company's brand internationally; and
- raise the Company's profile.

14. Subscription

The Second 2013 Placing involves the issue of 9,852,237 new Ordinary Shares at US\$1.60 per share (together with 9,852,237 Warrants for nil consideration), for an aggregate subscription price of US\$15,763,579.20. In connection with the Second 2013 Placing, the Company agreed certain terms with specific investors which have led to the Admission Subscriptions and the Post-Admission Subscription.

Pursuant to the Admission Subscriptions, irrevocable commitments have been given to subscribe for, in aggregate, 6,137,500 Ordinary Shares for an aggregate subscription price of US\$9,820,000, conditional only upon Admission. The Admission Subscriptions formed part of the Second 2013 Placing and are therefore on the same terms as the Second 2013 Placing (save as to timing) and accordingly, for every Ordinary Share subscribed under the Admission Subscriptions, one Warrant will be issued on Admission. Application will be made for the admission to trading on AIM of the Admission Subscription Shares and Admission Subscription Warrants, further details of which are set out in paragraph 15 below.

Pursuant to the Post-Admission Subscription, Gerald Henry has irrevocably agreed to subscribe for 281,250 Ordinary Shares for an aggregate subscription price of US\$450,000, prior to 20 December 2013. The Post-Admission Subscription is on the same terms as the Second 2013 Placing (save as to timing) and accordingly, for every Ordinary Share subscribed under the Post-Admission Subscription, one Warrant will be issued. Application will be made for the admission to trading on AIM of the Post-Admission Subscription Shares and Post-Admission Subscription Warrants, to take effect on completion of the Post-Admission Subscription.

15. Admission, settlement and CREST

Application will be made for admission of the Enlarged Share Capital and Warrants to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares and Warrants will commence on 5 December 2013. The Ordinary Shares and Warrants are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares or Warrants to be admitted to any other such exchange.

The Subscription Shares and Warrants, when issued, will be in registered form and the Enlarged Share Capital and Warrants will be capable of being held in certificated or uncertificated form in CREST from Admission.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles will permit the holding and transfer of the Ordinary Shares and Warrants under CREST. The Directors have applied for the Ordinary Shares and Warrants to be admitted to CREST, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred. CREST is a voluntary system and holders of Ordinary Shares and Warrants who wish to receive and return a share certificate will be entitled to do so.

It is expected that definitive certificates in respect of the Admission Subscription Shares and Admission Subscription Warrants will be despatched by first class post to those shareholders whose entitlements are to be dealt with outside CREST at the risk of the person entitled thereto by 20 December 2013 or as soon thereafter as is practicable and that the CREST accounts in respect of those share holders who have requested that other

entitlements in respect of Admission Subscription Shares and Admission Subscription Warrants are dealt with inside CREST will be credited on or before 5 December 2013.

The Ordinary Shares will have the ISIN GB00BG0FBC25 and the Warrants will have the ISIN GB00BGDFLX36.

16. Lock-ins and orderly market arrangements

The Directors (who in aggregate will, upon Admission, hold 9,214,931 Ordinary Shares representing 9.01 per cent. of the Enlarged Share Capital) and, the Co-Founders, certain employees and certain other shareholders in aggregate will, upon Admission, hold 65,172,727 Ordinary Shares representing 63.72 per cent of the Enlarged Share Capital and 1,026,250 Warrants representing 10.72 per cent. of the number of Warrants in issue immediately following Admission. Each has undertaken not to dispose of any interest in the Ordinary Shares or Warrants which they may have on Admission for the period of six months following Admission, or to dispose of more than ten per cent. of their interest in Ordinary Shares or Warrants for a further six months, except in certain restricted circumstances. In addition, they have each further agreed that for an additional 12 month period following the first anniversary of Admission they shall only dispose of any interest in Ordinary Shares or Warrants in accordance with orderly market principles with the prior written consent of the Company's broker, such disposal to be made through the Company's broker, save in certain limited circumstances.

In addition, certain other shareholders (who in aggregate will, upon Admission, hold 26,814,223 Ordinary Shares representing 26.22 per cent of the Enlarged Share Capital and 5,186,175 Warrants representing 54.19 per cent. of the number of Warrants in issue at Admission) have each undertaken that for 12 months following Admission they shall only dispose of any interest in Ordinary Shares or Warrants in accordance with orderly market principles with the prior written consent of the Company's broker, such disposal to be made through the Company's broker, save in certain limited circumstances.

Details of these lock-in and orderly market arrangements are set out in paragraph 13.17 of Part VI of this document.

17. Warrants

For each Second 2013 Placing Share issued, each Subscriber will receive one Warrant. The Warrants are warrants to subscribe for Ordinary Shares at the exercise price of £1.33 by 30 September 2017.

On 27 November 2013, the Company issued 3,433,487 Warrants to investors pursuant to the Second 2013 Placing on the basis of one Warrant for each A Preference Share subscribed to. The Company will issue a further, in aggregate, 6,418,750 Warrants in connection with the Admission Subscriptions and the Post-Admission Subscription. Application will be made for the Warrants to be admitted to trading on AIM. On exercise, each Warrant will result in the issue of (subject to any adjustment in accordance with the terms of the Warrant Instrument) one Ordinary Share which will be admitted to trading on AIM. The principal terms of the Warrants are set out in Part V of this document.

18. Share incentive arrangements

On 26 June 2013, the Company granted the Current Executive Options over, in aggregate, 650,000 Ordinary Shares to Wayne Thornhill and Tony Edwards (350,000 and 300,000 Ordinary Shares, respectively). Further details of the Current Executive Options are set out in paragraph 2.10 of Part VI of this document.

Between 7 April 2013 and the date of this document the Company granted the Current Employee Options over, in aggregate, 840,000 Ordinary Shares to employees of Arria and Data2Text. Further details of the Current Employee Options are set out in paragraph 2.11 of Part VI of this document.

The Company has established, conditional upon Admission, a long-term incentive plan, details of which can be found in paragraph 6.2 of Part VI of this document.

19. Share dealing policy

The Company has adopted a share dealing policy for Directors' dealings in securities of the Company which is appropriate for a company quoted on AIM. The Directors will comply with Rule 21 of the AIM Rules relating to directors' dealings and will take all reasonable steps to ensure compliance by the Company's "applicable employees" (as defined in the AIM Rules).

20. Dividend policy

The Company is at an early stage of its commercial development and the Directors intend to reinvest profits generated in the Group to stimulate growth. As such they do not intend to pay dividends for the foreseeable future but will review this policy based upon the performance of the Company following Admission.

21. The Takeover Code

The Takeover Code, which is issued and administered by the Panel, applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a company which has its registered office in the United Kingdom, the Channel Islands or the Isle of Man and the securities of which are admitted to trading on AIM.

The Company is a public limited company which has its registered office in the United Kingdom. Accordingly, following Admission, the Takeover Code will apply to the Company and, as a result, Shareholders are entitled to the benefit of the takeover offer protections provided under the Takeover Code.

For further details, see paragraph 16.1 of Part VI of this document.

22. Taxation

General information relating to United Kingdom taxation with regard to Ordinary Shares and Warrants is summarised in paragraph 12 of Part VI of this document.

Any person who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than that of the United Kingdom, should consult his or her professional advisers.

23. Shareholder notification and disclosure requirements

Following Admission, the Company will be required to comply with Rule 17 of the AIM Rules and DTR 5 will apply to the Company and its shareholders.-

24. Further information

Your attention is drawn to the additional information in Parts II to VI of this document. In particular, you are advised to carefully consider the risk factors contained in Part II.

PART II RISK FACTORS

The attention of prospective investors is drawn to the fact that ownership of shares in the Company will involve a variety of risks which, if they occur, may have a materially adverse effect on the Company's business or financial condition, results or future operations. In those circumstances, the market price of the Ordinary Shares or Warrants could decline and an investor might lose all or part of his or her investment.

In addition to the information set out in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. In particular, the Company's performance might be affected by changes in market and economic conditions and in legal, regulatory and tax requirements.

Additionally, there may be further risks of which the Directors are not aware or believe to be immaterial which may, in the future, adversely affect the Company's business and the market price of the Ordinary Shares or Warrants.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA (or equivalent in each relevant jurisdiction where potential investors may be located) who specialises in advising on the acquisition of shares and other securities.

RISK FACTORS RELATING TO THE BUSINESS AND OPERATIONS OF THE COMPANY

1. Nature of the Group's business

The Group is a growing software group with a short operating history. The Group is currently a loss-making entity and is not anticipated to make a net profit in the near term as the business invests in growth. Accordingly, an investment in the Company may not be suitable for all investors.

2. Risks associated with the Company's status

The Company and its direct subsidiaries are newly or recently formed companies with limited operating histories and have not achieved a sustainable level of operating profits. Therefore, they do not have a substantial financial record that can be used to evaluate the Group, the effectiveness of the Group's business strategy or its prospects. There is, therefore, little financial or operational basis on which to evaluate the Group's ability to achieve its business objectives and the value of an investment in the Company could decline substantially.

The Group's actual results will depend on many factors including, but not limited to, its ability to develop and commercialise NLG and other intellectual property and to achieve its financial performance objectives.

An investment in Ordinary Shares and/or Warrants is, therefore, subject to all of the risks and uncertainties associated with any new business, including the risk that the Company will not achieve its business objectives and that an investment in Ordinary Shares and/or Warrants could lose part or all of its value. It is important to bear in mind that the Group's future performance cannot be predicted from the past achievements of the Group's Directors, officers, employees and consultants and any of their associated entities.

The Group is preparing to offer commercial solutions that are unproven or, where proven, lack an existing or developed market. The Group currently has only two existing customer relationships. Its current revenue is limited and the markets are yet to be fully proven. Deployments of the Arria NLG Engine have not extended beyond proof-of-principle, beta site testing or pilot projects and, in the case of its oil and gas customer, a limited roll-out of monitoring to 28 rotating machines. The oil and gas customer has signed a contract with a flat usage fee of US\$1,000,000 for the Arria NLG Engine that is being used in relation to these 28 rotating machines for 2013 only and has signed one other contract for further development work for a fixed sum of US\$700,000. The

Group's other current contractual customer relationship (the Met Office) does not produce substantial revenue. The Group has no other current customers in any other sector and is only in early stage discussions with potential customers.

The Group proposes to offer NLG products on both the SaaS and enterprise software models for a rapidly evolving market. No assurance is given that SaaS will provide an appropriate avenue for building initial or recurring sales to retailers or other retail industry participants, or that the features and benefits of the Group's products will meet with market acceptance. The Group's products may or may not confer a competitive advantage and meet with market acceptance.

3. Dependence on existing management team and ability to attract new key employees

The Group's ability to perform and achieve its business objectives is substantively dependent upon the performance of its Directors, officers, employees (including its software engineers and NLG scientists) and consultants and their ability to implement the Group's business plan. The Group's business, results of operations and financial condition may be adversely affected if the services of any combination of these individuals cease to be available to the Group. The continued service of any key person cannot be guaranteed and not all of the Group's key personnel are bound by fixed-term employment or consulting agreements.

Attracting, training, retaining and motivating technical and managerial personnel, including individuals with significant technical expertise and experience in software development, integration, installation, support and maintenance services, is a critical component of the future success of the Group's business. Competition for qualified technical personnel is intense and is likely to remain so for the foreseeable future. Accordingly, the Group may encounter difficulties in attracting or retaining qualified personnel. Continued growth could therefore cause a significant strain on existing personnel resources.

4. Any undetected defects in the software and services provided by the Group could reduce revenues, harm the Group's business reputation and have a material adverse effect on financial results

The Group's business involves providing customers with highly reliable software and services. If the software or services contain undetected defects when first introduced or enhanced, the Group may fail to meet its customers' performance requirements or otherwise satisfy the contract specifications, it may lose customers and/or may become liable to them for damages and this may expose the Group to damage to its reputation. Whilst the Group endeavours to negotiate limitations on its liability in its customer contracts, this is not always commercially possible. These eventualities could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has service level commitment obligations with its customers in which it provides various guarantees regarding levels of service. The Group may not be able to meet these levels of service due to a variety of factors, both under and outside the Group's control. If the Group fails to provide the levels of service required by the agreements, the customers may be entitled to terminate their contracts or may choose not to enter into new work orders with the Group, and this may also damage the Group's reputation and reduce the confidence of the Group's customers in its software and services, impairing its ability to retain existing customers and attract new customers.

5. Technological evolution

The market for software solutions is characterised by continued evolution in technology, evolving industry standards, changes in customer needs, heavy competition and frequent new product introductions. As such the Group will require significant investment of resources in its software and services to ensure that the fast changing needs of its target markets are met. If the Group is unable to anticipate changes in technology and customer requirements, or fails to develop and introduce its software and services on a timely basis, it may have an adverse impact on the Group's business and prospects. There can be no assurance that the Group will have sufficient resources to make such investments. Furthermore, if any technical or other difficulties that could delay the introduction of new technologies or enhancements are encountered, further investment may be required to ensure the desirability of the Group's software and services to customers.

6. The Group may experience unforeseen delays and cost over-runs for a particular project

The Group has experience in forecasting and managing project implementation timetables, however there is a risk that a particular customer project could experience unforeseen delays and incur unexpected expenses in connection with a particular customer project. In particular if this were to occur in respect of a large and/or prestigious project, this could have a material adverse effect on the Group's business, financial condition and results of operations and may also damage the Group's reputation and reduce the confidence of the Group's customers in its services.

7. Competition and market development

The Group operates in a competitive market with many of its potential competitors being much larger companies with significant financial resources, such as IBM, Microsoft, Oracle and SAP, and as a result of this, the Group faces competitive pressure. Such pressure and new entrants to the market could result in an adverse impact on the Group's financial performance. Further, if the market for the Group's products and services does not continue to develop as it expects or if it fails to respond to market and competitive developments, the Group's business and prospects could be materially adversely affected.

New companies introducing innovative technologies welcome some competition, which helps create a competitive market, but there is a risk that a rival could achieve dominance at the Group's expense.

The Directors are unaware of any other NLG solutions that involve the level of technical sophistication present in the Group's solutions. Simpler systems are available but their limitations may impact their breadth of applicability. The Directors are aware of the potential for competing products to draw new entrants to the field and for secret research efforts to be revealed in the form of new products by established companies. At any time, formidable competitive challenges to the Group in the NLG field might be offered by the most established players in the global software marketplace, or by new entrants.

8. Market risks

The Group may be affected by general market trends which are unrelated to the performance of the Group itself. The Group's success will depend on market acceptance of the Group's products and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

9. Dependence on equity financing

The Company has been established, its acquisitions made and arranged and the Group's personnel recruited on the basis of limited contracts and grants, loans from Co-Founders and approximately US\$40,000,000 in private equity investments. The Company is dependent on investors to fund its operations, and this dependence is expected to continue for several years to come. The proceeds of the First 2013 Placing and the Second 2013 Placing will not provide sufficient capital to permit the Company to become self-sufficient from revenues. Furthermore, in the event that a new contract with its existing oil and gas customer is not secured within a reasonable timeframe, and in the event that the Company does not raise further equity funding if required, the Company may need to take cost cutting actions to preserve the cash position of the business.

10. The commercial potential of NLG is unproven

First adopters of new technology that perform new research and development often fail to profit from their efforts, whereas followers prove to be more adept at exploiting the technology efficiently and generate profits for themselves. Investors in a young technology company, such as the Company, must determine for themselves whether the Company can be both innovative and profitable.

Users of Big Data sets seeking meaningful automated summarisation generally turn first to graphical displays, for which a wide range of off-the-shelf solutions exists. While the Company believes that narrative summaries are required to harness Big Data effectively in numerous applications, this belief has not been tested widely enough to establish that narrative summaries offer significant value over graphical summaries in the full range of industries that the Group hopes to serve.

The only other NLG products in the marketplace of which the Directors are aware appear to use much simpler techniques that do not have the sophistication and flexibility provided by the multiple levels of processing involved in the Group's solution. These simpler techniques, the Directors believe, are less scientifically and technically challenging than the approach the Group has engineered and seeks to engineer further. However, the additional value of the Group's NLG solutions has yet to be proven as a commercial proposition in a wide range of applications.

11. The Group has not completed a SaaS product for retail optimisation

Due to the opportunities presented by the Arria NLG Engine, the Group currently has no plans to develop and commercialise SQM3 in the near future. Should this change, the Group has not proven an ability to deliver a retail optimisation product or service that will gain market acceptance.

12. The Company's revenue models may not be effective

The Company plans to pursue revenue sources in both SaaS and enterprise licensing. Licensing of technology by a new company to established companies can be mutually beneficial, but in many cases the imbalance of financial resources and market power between licensor and licensee can impinge on the licensor's ability to realise full value from licensing its innovations. SaaS business models can be an effective way to build long-term profitability, but to be successful, SaaS requires:

- a substantial upfront investment in creating a customer base, a return on which may not be made for some time, if at all;
- high customer loyalty with low attrition; and
- maintenance of per-customer revenue levels over an extended period.

The Group's products, for which SaaS and enterprise software solutions will be developed, are unproven as to their ability to achieve or maintain these success factors.

13. Infringement upon intellectual property rights

The Group's business and prospects may be seriously harmed if it is unable to adequately protect and enforce its intellectual property rights or avoid actions by others to enforce their rights.

The Group's business and prospects are highly dependent on its intellectual property, including the NLG and, to a lesser extent, retail optimisation technologies. Investors cannot be assured that any efforts the Group makes to develop or protect its exclusionary intellectual property rights, or to avoid running foul of the exclusionary rights of others, will be successful. The Group relies on patent, copyright, trade secret and trademark law and confidentiality and non-compete covenants and assignment of rights to the Group in its agreements with employees and consultants, as well as confidentiality covenants with its customers, to protect its intellectual property. Policing against unauthorised uses is difficult and the Group may not be able to identify all unauthorised uses, the Group may fail to take appropriate steps to enforce its proprietary rights, or it may find that such rights are unenforceable.

The Group cannot be certain that its NLG or retail optimisation products do not infringe the intellectual property rights of others. As a result, the Group may be subject to litigation and claims, including claims of misappropriation of trade secrets or infringement of patents, copyrights, trademarks and other intellectual property rights of third parties that would be time-consuming and costly to resolve and could lead to unfavourable judgments or settlements. If the Group discovered that its software or any other products it may develop or offer violated the intellectual property rights of third parties, the Group might have to make substantial changes to its products or services or obtain licences from such third parties which could have a materially adverse effect on the Group.

The Group might not be able to obtain such licences on favourable terms or at all, and it might be unable to change its products successfully or in a timely or cost-effective manner. Failure to resolve an infringement matter successfully or in a timely manner would damage the Group's reputation and force it to incur significant costs, as well as prevent it from selling the affected products or services. In a worst-case scenario, infringement of the

exclusionary rights of others could result in judgments for damages and injunctions that could threaten the Group's continued operation.

14. Key customer

The Group is currently dependent on one key customer with whom it is currently negotiating contracts for future work. The Group's contracted arrangements with this key customer terminate on 31 December 2013. The failure to negotiate a new contract, or a failure to agree terms favourable to the Group, with this key customer, in the short term, would have a material adverse effect on the Group's revenues, business, results of operation and financial condition.

15. Reliance on key systems and security risks

The Group relies on certain key systems and technologies to ensure its continued operation, exposing the Group to a significant risk as the systems are vulnerable to damage or interruption from a variety of sources including, but not limited to, computer viruses, computer denial of service attacks, telecommunication failures, power loss, terrorist attacks and natural disasters. Furthermore, the Group's internal employees and contractors, as well as third parties, may break in, sabotage or vandalise the Group's systems. Any unexpected downtime or malfunction of the Group's systems or technologies may have a material detrimental effect to the Group's business, results of operation and financial condition.

The Company is a software company that is partly reliant on information technology systems. Any failure to ensure that information technology systems are adequately protected from systems failure, security breaches and data integrity breaches could harm the Group's business.

Delta2Text currently relies on information technology disaster recovery services from the University of Aberdeen and as such is susceptible to the associated risks of relying on a third party for such services. The remainder of the Group, due to the nature of the business they conduct, do not have formal information technology disaster recovery procedures in place. As the Group grows, it intends to ensure that its disaster recovery procedures remain suitable for a group of its size and nature.

16. Tax

Although the Group's policy is to ensure that arrangements between the Group companies are conducted on an arm's-length basis, tax authorities may challenge the policies adopted and this may increase the amount of taxes payable by the Group. The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under local tax laws and regulations and/or tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under such tax regulations, laws or tax treaties, or any other changes in tax regulations, laws or treaties, interpretation or practice could increase the amount of tax payable by the Group.

17. Political, economic and legislative considerations

Adverse developments in the political, economic and regulatory environment in which the Group operates may materially and adversely affect the financial position and business prospects of the Group. Political and economic uncertainties include, but are not limited to, expropriation, nationalisation, inflation and deflation, changes in interest rates, changes in taxation and currency exchange control. In addition, any deterioration in the economic climate could result in a delay to or cancellation of customers' technology investments projects, and a more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit. Whilst the Group strives to continue to take effective measures to protect it against such risks, such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors will not materially and adversely affect the Group.

18. Foreign currency risk

Exchange rate fluctuations could have a material adverse effect on the Group's profitability or the price competitiveness of its products and services. There can be no guarantee that the Group would be able to compensate or hedge against such adverse effects and therefore negative exchange rate effects could have a material adverse effect on the Group's business and prospects, and its financial performance.

19. Litigation risks

All industries, including the software industry, are subject to legal claims, with and without merit. The Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Group's financial position or results of operations.

20. Failure to realise business plan

The estimates and assumptions upon which the Group's business plan is based are subject to significant economic and competitive uncertainties and contingencies that are beyond the Company's control.

The Group may be sensitive to changing market conditions and volatility, which could have a material adverse effect on the business and financial prospects of the Group.

The global economy, across both emerging and mature geographic markets, has recently experienced severe financial crises and recessions. These factors can strongly influence the Group's ability to execute its business plan, and a continued economic downturn or renewed financial crisis could have a material effect on the Company's earnings.

Businesses in the information technology sector are affected by changing general market conditions that are outside of their control and that may be unpredictable. These conditions include innovation by others and the establishment of new standards and approaches to the development of software-related products, none of which may be currently known to the Group. Other factors include fluctuations in consumer spending, catastrophic events, terrorism and other acts of war and the governmental and political developments relating to the foregoing, as well as social or political instability and international conflicts.

21. Risks associated with rapid growth

If the Group's business grows rapidly and the Group fails to properly manage that growth, then that failure could harm its business. The Group's global expansion plan envisages rapid growth and this will require a commensurate growth in the Group's infrastructure and capabilities. Any failure to achieve growth in that infrastructure could harm the Group's business.

22. Adequacy of insurance risk

While the Group has material damage and business interruption insurance, there is a risk that uninsured catastrophic events could occur. Also, the Group's insurance policies are subject to certain limits and sub-limits, and there is a risk that an insured event could occur which causes a loss materially in excess of the applicable limit or sub-limit.

RISK FACTORS RELATING TO THE ORDINARY SHARES AND WARRANTS

1. Investment in AIM securities and liquidity of the Company's shares and Warrants

An investment in companies whose shares or warrants are traded on AIM is perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than the Official List. The future success of AIM and liquidity in the market for Ordinary Shares and/or Warrants cannot be guaranteed. In particular, the market for Ordinary Shares and/or Warrants may become or may be relatively illiquid and therefore, such Ordinary Shares and/or Warrants may be or may become difficult to sell.

The market of the Ordinary Shares and/or Warrants following Admission may be highly volatile and subject to wide fluctuations in response to a variety of factors which could lead to losses for Shareholders and/or Warrant holders. These potential factors include, amongst others, any additions or departures of key personnel, litigation and press, newspaper and/or other media reports.

Prospective investors should be aware that the value of the Ordinary Shares and/or Warrants may go down as well as up, that the market price of the Ordinary Shares and/or Warrants may go down as well as up and that the market price of the Ordinary Shares and/or Warrants may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment.

2. Trading market for the Ordinary Shares and Warrants

The share and warrant price of emerging companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares and Warrants may be subject to wide fluctuations in response to many factors, some specific to the Group and/or its operations and others to the AIM market in general including, but not limited to, variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the Group's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares and/or Warrants. The trading of the Ordinary Shares and Warrants on AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares or Warrants and there is no guarantee that an active market will develop or be sustained after Admission. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List.

3. Dilution of Shareholders' interest as a result of additional equity fundraising or exercise of Warrants

As mentioned above, the Group may need to raise additional funds in the future and to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders and/or Warrants are exercised, the percentage ownership and voting rights of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. In addition, the issue of additional Ordinary Shares by the Company (including following exercise of the Warrants), or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares and/or Warrants to decline.

4. 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 Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, among other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time. The Directors do not intend to pay dividends for the foreseeable future.

5. Investment in Ordinary Shares and/or Warrants may have tax consequences

Tax matters relating to the Company and an investment in Ordinary Shares and/or Warrants are complex. Potential investors should ascertain the tax consequences, if any, of acquiring, holding and disposing of Ordinary Shares and/or Warrants.

Potential investors should consult his, her or its own tax adviser with respect to the national, state and local tax consequences of an investment in the Ordinary Shares and/or Warrants. Any changes to tax rates or rules affecting the Company may impact a Shareholder's return, as may any change to tax rates or rules affecting the Shareholder personally.

6. Other risks could adversely affect the Group

The Group is subject to other commercial, legal, employment, operational and reputational risks in common with businesses in its and other business sectors. The risks described above do not necessarily comprise all those faced by the Group, and are not intended to be presented in any assumed order of priority.

**PART III
ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP**

The Directors
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29 November 2013

Dear Sirs

Arria NLG plc

We report on the financial information set out below (the “**Historical Financial Information of the Company**”) as at and for the periods ended 30 September 2012, 31 March 2012 and six months ended 31 March 2013. The Historical Financial Information of the Company has been prepared for inclusion in the admission document dated 29 November 2013 (the “**Document**”) of Arria NLG plc (the “**Company**”) on the basis of the accounting policies set out in this Part III. This report is required by Schedule Two of the AIM Rules for Companies published by the London Stock Exchange plc (the “**AIM Rules**”) and is given for the purpose of complying with that Schedule and for no other purpose.

We have not audited the financial information for the period ended 31 March 2012 and accordingly do not express an opinion thereon.

Responsibilities

The Directors of the Company are responsible for preparing the Historical Financial Information of the Company in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Historical Financial Information of the Company gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of 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 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 to the AIM Rules, consenting to its inclusion in the Document.

Basis of opinion

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

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the document dated 29 November 2013, a true and fair view of the state of affairs of the Company as at the 30 September 2012 and 31 March 2013 and of its losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

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

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

ARRIA NLG PLC

Company number 07812686

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the periods ending 30 September 2012, 31 March 2012 and 31 March 2013

		<i>Six months ended 31 March 2013</i>	<i>Unaudited Period ended 31 March 2012</i>	<i>Period ended 30 September 2012</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>
Revenue	3	210,013	–	62,554
Cost of sales		(67,350)	–	(33,453)
Gross profit		142,663	–	29,101
Administrative expenses				
– Share-based payments	6	(761,248)	–	(385,624)
– Amortisation of intangibles	12	(1,707,272)	–	(529,167)
– Impairment of intangibles	12	–	–	(1,474,280)
– Other administrative costs	4,5	(4,961,070)	(449,736)	(4,152,604)
Total administrative expenses		(7,429,590)	(449,736)	(6,541,675)
Operating loss	4	(7,286,927)	(449,736)	(6,512,574)
Finance income	7	389	–	174
Finance expense	8	(8,901)	–	(7,453)
Loss before tax		(7,295,439)	(449,736)	(6,519,853)
Taxation credit	9	146,050	–	248,707
Loss for the period		(7,149,389)	(449,736)	(6,271,146)
Other Comprehensive Income and expenditure		–	–	–
Total comprehensive loss for the period		(7,149,389)	(449,736)	(6,271,146)
Attributable to:				
– owners of the parent		(6,271,784)	(449,736)	(5,216,140)
– non-controlling interests	21	(877,605)	–	(1,055,006)
Total comprehensive loss for the period		(7,149,389)	(449,736)	(6,271,146)
Loss per share				
Basic and diluted loss per share		(0.11)	(222.87)	(0.27)

The results reflected above relate to continuing activities.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 September 2012 and 31 March 2013

	<i>Notes</i>	<i>31 March 2013</i>	<i>30 September 2012</i>
		£	£
ASSETS			
Non-current assets			
Goodwill	11	14,352,865	14,352,865
Other intangible assets	12	15,900,471	17,028,210
Property, plant and equipment	13	234,424	96,735
Trade and other receivables	16	157,706	169,716
		<u>30,645,466</u>	<u>31,647,526</u>
Current assets			
Trade and other receivables	16	780,794	367,291
Cash and cash equivalents	17	3,859,963	8,866,018
		<u>4,640,757</u>	<u>9,233,309</u>
TOTAL ASSETS		<u><u>35,286,223</u></u>	<u><u>40,880,835</u></u>
EQUITY AND LIABILITIES			
Equity attributable to holders of the parent			
Ordinary Share capital	20	34,785	33,285
Class A preference share capital	20	20,000	17,702
Class B preference share capital	20	5,078	5,078
Share premium	20	490,641	11,129,796
Merger reserve	21	3,130,832	3,130,832
Retained loss	21	1,731,725	(4,830,516)
		<u>5,413,061</u>	<u>9,486,177</u>
Non-controlling interest	21	25,203,299	26,080,904
		<u>30,616,360</u>	<u>35,567,081</u>
Non-current liabilities			
Deferred tax	19	2,653,243	2,799,293
Current liabilities			
Trade and other payables	18	1,678,709	2,175,659
Borrowings	18,25	337,911	338,802
		<u>2,016,620</u>	<u>2,514,461</u>
TOTAL EQUITY AND LIABILITIES		<u><u>35,286,223</u></u>	<u><u>40,880,835</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the periods ending 30 September 2012 and 31 March 2013

Notes	Attributable to equity holders of the company							Non-controlling interest	Total Equity
	Share Capital	Class A Preference shares	Class B Preference shares	Share Premium	Merger Reserve	Retained Loss	Total		
	£	£	£	£	£	£	£	£	£
As at 17 October 2011	-	-	-	-	-	-	-	-	-
Issue of shares	20	33,285	-	-	-	-	33,285	-	33,285
Issue of open offer shares	20	-	16,622	-	10,428,876	-	10,445,498	-	10,445,498
Issue of consideration shares	20,21	-	-	5,078	-	3,130,832	3,135,910	-	3,135,910
Conversion of loans and loan notes	20	-	1,080	-	700,920	-	702,000	-	702,000
Share based payment expense	6	-	-	-	-	385,624	385,624	-	385,624
On acquisition of subsidiary undertakings	21	-	-	-	-	-	-	27,135,910	27,135,910
Total contributions by owners of the company		<u>33,285</u>	<u>17,702</u>	<u>5,078</u>	<u>11,129,796</u>	<u>3,130,832</u>	<u>385,624</u>	<u>14,702,317</u>	<u>27,135,910</u>
Total comprehensive loss		-	-	-	-	-	(5,216,140)	(5,216,140)	(1,055,006)
As at 30 September 2012		<u>33,285</u>	<u>17,702</u>	<u>5,078</u>	<u>11,129,796</u>	<u>3,130,832</u>	<u>(4,830,516)</u>	<u>9,486,177</u>	<u>26,080,904</u>
Issue of shares	20	1,500	2,298	-	-	-	3,798	-	3,798
Issue of open offer shares	20	-	-	-	1,433,622	-	1,433,622	-	1,433,622
Share based payment expense	6	-	-	-	-	-	761,248	761,248	761,248
Capital reduction	21	-	-	-	(12,072,777)	-	12,072,777	-	-
Total contributions by owners of the company		<u>1,500</u>	<u>2,298</u>	<u>-</u>	<u>(10,639,155)</u>	<u>-</u>	<u>12,834,025</u>	<u>2,198,668</u>	<u>-</u>
Total comprehensive Profit/(Loss)		-	-	-	-	-	(6,271,784)	(6,271,784)	(877,605)
As at 31 March 2013		<u>34,785</u>	<u>20,000</u>	<u>5,078</u>	<u>490,641</u>	<u>3,130,832</u>	<u>1,731,725</u>	<u>5,413,061</u>	<u>25,203,299</u>

CONSOLIDATED STATEMENT OF CASH FLOWS
for the periods ending 30 September 2012, 31 March 2012 and 31 March 2013

		<i>Six months ended 31 March 2013</i>	<i>Unaudited Period ended 31 March 2012</i>	<i>Period ended 30 September 2012</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating loss		(7,286,927)	(449,736)	(6,512,574)
<i>Adjustments for:</i>				
Depreciation of plant and equipment	13	31,134	320	8,236
Amortisation of intangible assets	12	1,707,272	–	529,167
Impairment of intangibles	12	–	–	1,474,280
Share based payments	6	761,248	–	385,624
Operating cash flows before movements in working capital		<u>(4,787,273)</u>	<u>(449,416)</u>	<u>(4,115,267)</u>
(Increase) in trade and other receivables		(401,492)	(2)	(373,980)
Increase in trade and other payables		(691,080)	214,557	2,017,832
Net cash used in operating activities		<u>(5,879,845)</u>	<u>(234,861)</u>	<u>(2,471,415)</u>
Cash flows from investing activities				
Interest received	7	389	–	174
Cash acquired on acquisition of subsidiaries	15	–	–	46,360
Purchase of intangible assets	12	(579,533)	–	–
Purchase of plant and equipment	13	(169,003)	(11,643)	(94,732)
Net cash used in investing activities		<u>(748,147)</u>	<u>(11,643)</u>	<u>(48,198)</u>
Cash flows from financing activities				
Proceeds from loans and loan notes	18	–	252,560	567,947
Repayment of loans and loan notes	18	–	–	(229,146)
Interest paid	8	(8,901)	–	(7,453)
Proceeds from issue of ordinary and preference shares	20	1,437,420	2	11,054,283
Net cash from financing activities		<u>1,428,519</u>	<u>252,562</u>	<u>11,385,631</u>
Net increase/(decrease) in cash and cash equivalents		<u>(5,199,473)</u>	<u>6,058</u>	<u>8,866,018</u>
Cash and cash equivalents at the beginning of the period		8,866,018	–	–
Exchange gains/(losses) on cash and cash equivalents		193,414	–	–
Cash and cash equivalents at end of the period	17	<u><u>3,859,963</u></u>	<u><u>6,058</u></u>	<u><u>8,866,018</u></u>

NOTES TO THE FINANCIAL INFORMATION**for the periods ending 30 September 2012, 31 March 2012 and 31 March 2013****1. General information**

The Group develops software that provides natural language generation (“NLG”) services and SaaS (Software as a Service) services to industry.

The Company is a private limited company domiciled in the United Kingdom and incorporated under registered number 07812686 in England and Wales. The company was incorporated on 17 October 2011. The Company’s registered office is Space One, 1 Beadon Road, Hammersmith, London W6 0EA, United Kingdom.

2. Significant accounting policies***Basis of preparation of financial statements***

This consolidated financial information is prepared for the purpose of the AIM admission document dated 29 November 2013, and presents the financial track record of the group for the period from 17 October 2011 to 30 September 2012 (audited), the six-month period ended 31 March 2013 (audited) and the comparative statement of comprehensive income and statement of cash flows for the period from 17 October 2011 to 31 March 2012 (unaudited).

This special purpose financial information has been prepared in accordance with the requirements of the AIM Rules for Companies in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”), and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

The consolidated financial information has been prepared in accordance with EU adopted IFRS and IFRIC interpretations.

The consolidated financial information has been prepared on a going concern basis and under the historical cost convention. The historical financial information is presented in thousands of pounds sterling (“£”) except when otherwise indicated.

The principal accounting policies adopted in the preparation of the consolidated financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Adoption of new and revised International Financial Reporting Standards

No new IFRS standards, amendments or interpretations became effective in the periods presented which had a material effect on these Financial Statements.

A number of new standards and amendments to standards and interpretations are effective for periods beginning after 1 April 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9’s full impact and intends to adopt IFRS 9 no later than the accounting period beginning on 1 October 2015.

IFRS 10, Consolidated financial statements’, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of

the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on 1 January 2014.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on 1 January 2014.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted. This will be effective for the accounting period beginning on 1 January 2013.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of consolidation

The Group financial statements consolidate the accounts of Arria NLG plc and all of its subsidiary undertakings. The Consolidated Statement of Comprehensive Income includes the results of all subsidiary undertakings for the period from the date on which control passes. Control is achieved where the Company (or one of its subsidiary undertakings) obtains the power to govern the financial and operating policies of an investee entity so as to derive benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50 per cent. of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The Group recognises any non-controlling interest in the acquiree at fair value. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. The full goodwill method has been applied. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions and balances and unrealised gains or losses on transactions between group companies are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the period.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period.

Deferred tax

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax losses can be utilised.

Foreign currencies

(i) Functional and presentational currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”) which is considered by the Directors to be Pounds sterling (£). The Financial Statements have been presented in Pounds sterling (£).

(ii) Transactions and balances

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

(iii) Group Companies

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

- (a) assets and liabilities for each statement of financial position presented are translated at closing rate at the date of the statement;
- (b) the income and expenses are translated at average exchange rates for period; and
- (c) all resulting exchange differences are recognised in other administrative costs.

Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group’s activities, as described below.

Revenue relating to software development that is contracted on a time and materials basis is recognised as the services are performed.

Revenue relating to the sale of software licences is based on a fixed charge recognised on a straight-line basis over the period to which the license relates.

Revenue in respect of licences is generally billed in advance. If the amount of revenue recognised exceeds the amounts invoiced to customers, the excess amount is recorded as accrued income within accounts receivable. The excess of licence fees invoiced over revenue recognised is recorded as deferred revenue.

Interest Income

Interest income is recognised using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

Loans and receivables

Loans and receivables are financial assets that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Equity instruments

An equity instrument is any instrument with a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments (ordinary shares) are recorded at the proceeds received, net of direct issue costs.

Merger reserve

Where more than 90 per cent. of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, merger relief under the Companies Act 2006 is attracted. The premium on the new shares issued is credited to the merger reserve.

Cash and cash equivalents

Cash and cash equivalent comprise cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). 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.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Property, plant and equipment

All property, plant and equipment is stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<i>Years</i>
Computer equipment	3
Leasehold improvements	5

The assets' residual values and economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are no longer of economic use to the business are retired.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the statement of comprehensive income.

Goodwill

Goodwill represents the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill arising on acquisitions is not subject to amortisation but is subject to annual impairment testing. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and not subsequently reversed.

Other intangible assets

Intangible assets are recorded as separately identifiable assets and recognised at historical cost less any accumulated amortisation. These assets are amortised over their estimated useful economic lives on the straight-line method.

Amortisation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<i>Years</i>
Intellectual property	3 – 10

The assets' residual values and economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the Statement of Comprehensive Income.

Research and development

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects are recognised as intangible assets when the following criteria are fulfilled:

- It is technically feasible to complete the intangible asset so that it will be available for use or resale;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible;
- It can be demonstrated how the intangible asset will generate possible future economic benefits;
- Adequate technical, financial and other resource to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense in the period incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and are amortised from the point at which they are ready for use on a straight line basis over the asset's estimated useful life.

Impairment of non-financial assets

Assets that are subject to amortisation and depreciation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Assets that have indefinite useful lives are not subject to amortisation and are tested for impairment on an annual basis at each year end. The recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Any impairment loss arising from the review is charged to the Statement of Comprehensive Income whenever the carrying amount of the asset exceeds its recoverable amount.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

A business segment is a group of assets and operations engaged in providing products or services that is subject to risks and returns that are different from those of other business segments, a geographical segment is engaged in providing products or services within a particular environment that subject to risks and returns that are different from those of segments operating in other economic environments.

Pension contributions

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

Share based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted. The fair value of these payments is calculated either using the Black Scholes option pricing model or by reference to the fair value of any fees or remuneration settled by way of granting of options.

The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the best estimate of the number of shares that will eventually vest. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Critical accounting estimates and judgements

The preparation of Financial Statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the recoverable amount of Goodwill as outlined in note 11, the recoverable amount of other Intangibles as outlined in note 12, and the estimate of fair value of share-based payments as outlined in note 6.

3. Segmental information

The Chief Executive Officer is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Chief Executive Officer for the purpose of resource allocation and assessment of performance, and it is considered that is one operating segment, being the provision of computer software which is all generated from one geographical location, being the UK. In addition unallocated head office costs are taken as a separate segment in the loss before taxation and assets of the business.

The following is an analysis of revenues and results from operations and assets by business segment:

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Revenue			
Provision of computer software	210,013	–	62,554
Total	<u>210,013</u>	<u>–</u>	<u>62,554</u>
	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Loss before tax			
Provision of computer software	(1,497,259)	–	(2,037,293)
Corporate costs	(5,798,180)	(449,736)	(4,482,560)
Total	<u>(7,295,439)</u>	<u>(449,736)</u>	<u>(6,519,853)</u>
	<i>Six months ended 31 March 2013 £</i>		<i>Period ended 30 September 2012 £</i>
Assets			
Provision of computer software	30,731,388		31,880,982
Corporate	4,554,834		8,999,853
Total	<u>35,286,222</u>		<u>40,880,835</u>

Entity-wide information

Total revenue

Total revenue from activities by geographical area is detailed below:

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Revenue by geography			
Revenue derived from the UK	6,900	–	5,750
Revenue derived from the Netherlands	–	–	56,804
Revenue derived from the United States	203,113	–	–
Total Revenue	<u>210,013</u>	<u>–</u>	<u>62,554</u>

Revenues derived from single customers whose revenues are 10 per cent. or greater than overall Group revenues are:

Customer A	<u>203,113</u>	<u>–</u>	<u>56,804</u>
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4. Operating Profit/(Loss)

The Group's operating loss has been arrived at after charging:

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Employee costs	2,318,490	66,225	1,126,906
Operating lease rentals	126,406	–	36,066
Depreciation charge	31,312	320	8,236
Research and development	–	–	552,778
Legal and professional fees	2,113,954	364,511	2,509,350
Foreign exchange losses/(gains)	(233,958)	–	147,364
Auditors remuneration			
Audit of Company	–	–	56,250
Audit of subsidiaries	–	–	18,750
Total audit	–	–	75,000
Other assurance services	330,415	–	169,837
Tax advisory services	133,670	–	10,000
Total auditor remuneration	<u>464,085</u>	<u>–</u>	<u>254,837</u>

5. Employees

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Wages and Salaries	862,126	–	618,919
Social Security Costs	84,784	–	122,363
Share based payments	761,248	–	385,624
	<u>1,708,158</u>	<u>–</u>	<u>1,126,906</u>

The average number of employees (including Executive Directors) in the Group during each period was as follows:

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Directors (executive and non-executive)	7	1	7
Management	2	–	6
Technical	15	–	10
Sales	2	–	–
Administration	4	–	2
	<u>30</u>	<u>1</u>	<u>25</u>

6. Share-based payments

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Fair value of share grants – Non-Executive Directors	266,229	–	–
Fair value of share grants – Others	495,019	–	385,624
Total fair value of share grant	<u>761,248</u>	<u>–</u>	<u>385,624</u>

Fair value of share grants made during the period

The weighted average fair value of the exercise price of the shares granted was determined using the Black-Scholes valuation model. The fair value of shares granted in the period ended 31 March 2013 was £0.53 for Non-Executive Directors and £0.50 for others and in the period ended 30 September 2012 was £0.62.

The calculation of the fair value of shares issued requires the use of estimates. The key assumptions are:

	<i>Six months ended 31 March 2013</i>	<i>Period ended 30 September 2012</i>
Weighted average share price	£0.53 Non-Executive Director £0.50 Others	£0.62
Weighted average exercise price	£0.001	£0.001
Expected life	3	1
Risk free rate	4.4%	4.4%
Expected dividend yields	0%	0%

All share-options vested immediately on issue. A charge of £761,248 relating to share-based payments has been recognised in the period (30 September 2012: £385,624) and is included in the Consolidated Statement of Comprehensive Income.

7. Finance income

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Unaudited Period ended 30 September 2012 £</i>
Bank interest	<u>389</u>	<u>–</u>	<u>174</u>

8. Finance expense

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Unaudited Period ended 30 September 2012 £</i>
Interest payable – loan notes	<u>8,901</u>	<u>–</u>	<u>7,453</u>

9. Income Tax

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Current tax:			
Current tax losses in the year	-	-	-
Total current tax	-	-	-
Deferred tax (note 19):			
Origination and reversal of timing differences	(146,050)	-	(169,425)
Impact of change in tax rate	-	-	(79,282)
Income tax credit	<u>(146,050)</u>	<u>-</u>	<u>(248,707)</u>
The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:			
Loss before tax on ordinary activities	(7,295,439)	(449,736)	(6,519,853)
Tax calculated at domestic rate applicable to profits in respective countries	(1,677,951)	(107,937)	(1,564,764)
Tax effects of:			
Expenses not deductible for tax purposes	150,330	-	397,910
Capital allowances in excess of depreciation	31,647	-	21,607
Re-measurement of deferred tax	-	-	(79,282)
Tax loss for which no deferred tax asset has been recognised	<u>1,349,924</u>	<u>107,937</u>	<u>975,822</u>
	-	-	-
Taxation credit recognised in income statement	<u>(146,050)</u>	<u>-</u>	<u>(248,707)</u>

On 1 April 2012, the UK tax rate changed from 26 per cent. to 24 per cent. A further reduction to 23 per cent. from 1 April 2013 was substantively enacted on 2 July 2012. In addition, a number of further changes were announced in the March 2013 UK Budget Statement, whereby the main rate of Corporation Tax will reduce to 21 per cent. from 1 April 2014 and to 20 per cent. from 1 April 2015. These further rate reductions had not been substantively enacted by the balance sheet date.

10. Loss Per Share

Basic loss per share for each period is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period based on the capital structure of the Company. Details of the losses and weighted average number of ordinary shares used in each calculation are set out below. As the Group is loss-making, share options in issue are anti-dilutive and therefore diluted loss per share is equal to the basic loss per share.

	<i>Six months ended 31 March 2013</i>	<i>Unaudited Period ended 31 March 2012</i>	<i>Period ended 30 September 2012</i>
Loss attributable to owners of the parent (£)	(6,271,784)	(449,736)	(5,216,140)
Weighted average number of shares	59,230,975	2,000	19,354,731
Basic and diluted loss per share (£)	<u>(0.11)</u>	<u>(224.87)</u>	<u>(0.27)</u>

11. Goodwill

	<i>Goodwill £</i>
Cost	
At 17 October 2011	–
Acquisition of subsidiary undertakings (note 15)	<u>14,352,865</u>
At 30 September 2012	<u>14,352,865</u>
At 1 October 2012 and 31 March 2013	<u><u>14,352,865</u></u>

The goodwill arose on the acquisition of Data2Text Limited on 1 May 2012. Further information is included in note 15.

An impairment review is undertaken annually or whenever changes in circumstances or events indicate that the carrying amount may not be recovered. For the purpose of impairment testing, goodwill is allocated to each of the cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually.

The entire goodwill balance has been allocated to the provision of computer software cash generating unit and has been tested for impairment at each reporting date. The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 6 per cent. These cash flows have been discounted at a pre-tax rate of 56 per cent.

12. Other intangible assets

	<i>Intellectual Property</i> £	<i>Capitalised development costs</i> £	<i>Total other intangible assets</i> £
Period ending 30 September 2012			
Cost			
At 17 October 2011	–	–	–
Acquisition of subsidiaries (note 15)	19,031,657	–	19,031,657
At 30 September 2012	<u>19,031,657</u>	<u>–</u>	<u>19,031,657</u>
Accumulated amortisation			
At 17 October 2011	–	–	–
Amortisation expense	529,167	–	529,167
Impairment charge	1,474,280	–	1,474,280
At 30 September 2012	<u>2,003,447</u>	<u>–</u>	<u>2,003,447</u>
Carrying amount			
At 17 October 2011	–	–	–
At 30 September 2012	<u>17,028,210</u>	<u>–</u>	<u>17,028,210</u>
Six months ended 31 March 2013			
Cost			
At 1 October 2012	19,031,657	–	19,031,657
Additions	–	579,533	579,533
At 31 March 2013	<u>19,031,657</u>	<u>579,533</u>	<u>19,611,190</u>
Accumulated amortisation			
At 1 October 2012	2,003,447	–	2,003,447
Amortisation expense	1,707,272	–	1,707,272
At 31 March 2013	<u>3,710,719</u>	<u>–</u>	<u>3,710,719</u>
Carrying amount			
At 1 October 2012	17,028,210	–	17,028,210
At 31 March 2013	<u>15,320,938</u>	<u>579,533</u>	<u>15,900,471</u>

The intangible assets arose on the acquisition of Data2Text Limited on 1 May 2012, SQi3 Solutions Limited on 28 September 2012 and Global IP, Inc. on 29 September 2012.

The calculation of amortisation and impairment of intangible assets requires the use of estimates and judgement, related to the expected useful lives of the assets. If the useful lives of the intellectual property were decreased by 2 years, this would have resulted in an additional amortisation charge of £961,301 in the period.

In March 2013, and following a strategic review of the business opportunities available to the group, the Directors have determined to focus on developing the NLG software in advance of SQM3 in the near term. An impairment review based on value in use undertaken at the half year has resulted in an additional charge to the profit and loss account of £1,474,280 which has been recognised at 30 September 2012. The Directors remain confident in the long-term opportunity that SQM3 offers for value creation and are comfortable that the restated carrying value in the Company's books is appropriate.

13 Property, plant and equipment

	<i>Computer equipment</i>	<i>Leasehold improvements</i>	<i>Total</i>
	£	£	£
Period ending 30 September 2012			
Cost			
At 17 October 2011	–	–	–
Additions	56,832	37,900	94,732
Assets consolidated on acquisition	10,239	–	10,239
At 30 September 2012	<u>67,071</u>	<u>37,900</u>	<u>104,971</u>
Accumulated depreciation			
At 1 October 2011	–	–	–
Depreciation expense	8,236	–	8,236
At 30 September 2012	<u>8,236</u>	<u>–</u>	<u>8,236</u>
Carrying amount			
At 17 October 2011	–	–	–
At 30 September 2012	<u>58,835</u>	<u>37,900</u>	<u>96,735</u>
Six months ended 31 March 2013			
Cost			
At 1 October 2012	67,071	37,900	104,971
Additions	21,041	147,962	169,003
At 31 March 2013	<u>88,112</u>	<u>185,862</u>	<u>273,974</u>
Accumulated depreciation			
At 1 October 2012	8,236	–	8,236
Depreciation expense	13,150	18,164	31,314
At 31 March 2013	<u>21,386</u>	<u>18,164</u>	<u>39,550</u>
Carrying amount			
At 1 October 2012	58,835	37,900	96,735
At 31 March 2013	<u>66,726</u>	<u>167,698</u>	<u>234,424</u>

14. Investment in subsidiaries

The Directors annually assess the carrying value of the investment in the subsidiary and in their opinion no impairment provision is currently necessary.

The principal subsidiary undertakings at 31 March 2013 and 30 September 2012 were as follows:

	<i>County of incorporation</i>	<i>Interest held %</i>
Data2 Text Limited*	UK	20%
Global IP Inc.*	USA	0%
SQI3 Solutions Limited*	UK	100%
SQM3 Limited*	UK	100%

* Subsidiaries owned directly by the Company.

There are two subsidiaries where the proportion of shares held is less than 50 per cent. These are considered to be subsidiaries and are consolidated on the basis that the Group has the power to govern the financial and operating policies of the entities. Further information is included in note 15.

15. Business combinations

On 1 May 2012, the Group acquired 20 per cent. of the share capital of Data2Text Limited for £325,000 payable in equal instalments over a 12 month period. On the same date, the Group entered into a call option to purchase the remaining 80 per cent. shareholding. The option is currently exercisable and therefore the Group holds 100 per cent. of the potential voting rights, resulting in the Group obtaining control on 1 May 2012. Data2Text Limited has therefore been consolidated from this date.

Data2Text Limited specialises in building computer software that can automatically generate textual summaries of numerical and other data sets. The company is based on technology developed by the Data-to-Text research group at the University of Aberdeen, which has developed software that automatically summarises weather data, medical data, and engineering data.

The goodwill of £14,352,865 arising from the acquisition is attributable to future technology and customers, with the possibility of applying technology across different sectors. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Data2Text Limited, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration

Deferred consideration (to be paid up equally over 12 months following)	325,000
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Recognised amounts of identifiable assets acquired and liabilities assumed

	£
Fair value of the assets acquired	
Intellectual Property	12,700,000
Property, plant and equipment	10,239
Trade and other receivables	361,427
Cash and cash equivalents	46,360
Trade and other payables	(22,891)
Net assets acquired	13,095,135
Deferred tax liabilities	(3,048,000)
Total identifiable net assets	10,047,135
Non-controlling interest	(24,075,000)
Goodwill	14,352,865
Total	325,000

Acquisition-related costs of £378,785 have been charged to administrative expenses in the consolidated statement of comprehensive income.

The consideration requires the Group to pay cash in instalments over a 12 month period. The effect of discounting is not material.

The fair value of the non-controlling interest in Data2Text Limited, an unlisted company, was estimated by using the price of the call option over the remaining shareholding, discounted from the most likely time of exercise. The consideration for the call option is £25,000,000, with £3,125,000 payable in cash and the remainder in shares.

The revenue included in the consolidated statement of comprehensive income since 1 May 2012 contributed by Data2Text Limited was £62,554. Data2Text also contributed loss of £27,238 over the same period. Had Data2Text been consolidated from the beginning of the accounting period, the consolidated statement of income would show revenue of £328,000 and a loss of £61,000.

Other acquisitions

On 28 September 2012, 100 per cent. of the share capital of SQi3 Solutions Limited was acquired. The consideration was in the form of 5,077,573 class B preference shares with a total fair value of £3,135,910. SQi3 Solutions Limited holds the intellectual property in respect of the SQM3 retail optimisation concept. On the basis that this company solely holds this intellectual property, it has been accounted for as an asset acquisition. The fair value of intangible asset acquired has been determined based on the fair value of the consideration paid. As the consideration consisted entirely of shares, the share premium on these shares has been credited to the merger reserve. SQi3 Solutions Limited was acquired from a related party and further details are included in note 25.

On 29 September 2012, an agreement was reached to acquire Global IP, Inc. Global IP, Inc holds the US licence to the SQM3 retail optimisation concept. The agreement provides the Group with the option to enter an exclusive licence to the rights held, places restrictions on the company undertaking activities without the Company's consent, and provides that once certain conditions are met the Company has an obligation to acquire Global IP, Inc.. These conditions provide the Company with de-facto control over Global IP, Inc. and therefore Global IP, Inc. has been consolidated from 29 September 2012. On the basis that this company solely holds an intangible asset, this transaction has been accounted for as an asset acquisition. Consideration will be in the form of 5,077,573 class B preference shares. The fair value of intangible asset acquired has been determined based on the fair value of the consideration paid. A non-controlling interest of £3,060,910 representing 100 per cent. of the fair value has been recognised in equity. Global IP, Inc was acquired from a related party and further details are included in note 25.

During the period ending 30 September 2012, and following a strategic review of the business opportunities available to the group, the Directors have determined to focus on developing the NLG software in advance of SQM3. An impairment review undertaken at the half year has resulted in an additional charge to the profit and loss account of £1,474,280 at 30 September 2012.

16. Trade and other receivables

	<i>31 March</i>	<i>30 September</i>
	<i>2013</i>	<i>2012</i>
	£	£
<i>Non-current</i>		
Rental Deposits	<u>157,706</u>	<u>169,716</u>

All non-current receivables are due within five years from the end of the reporting period.

	<i>31 March</i>	<i>30 September</i>
	<i>2013</i>	<i>2012</i>
	£	£
<i>Current</i>		
Prepayments	38,401	1,040
Capitalised equity transaction costs	336,734	–
Accrued income	205,860	14,256
Other receivables	13,970	177,267
VAT debtor	<u>185,829</u>	<u>174,728</u>
Current portion	<u>780,794</u>	<u>367,291</u>

Trade receivables are measured at amortised cost. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

As at the 31 March 2013, trade receivables of nil were past due but not impaired.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	<i>31 March 2013</i>	<i>30 September 2012</i>
<i>Current</i>	£	£
US Dollar	8,126	145,257
UK Pound	772,668	222,034
	<u>780,794</u>	<u>367,291</u>

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

17. Cash and cash equivalents

	<i>31 March 2013</i>	<i>30 September 2012</i>
<i>Current</i>	£	£
Cash at bank and in hand	3,859,963	8,866,018
	<u>3,859,963</u>	<u>8,866,018</u>

18. Trade and other payables

	<i>31 March 2013</i>	<i>30 September 2012</i>
	£	£
Trade payables	917,237	768,750
Social security and other taxes	68,809	110,952
Other payables	–	146,867
VAT payable	26,807	16,382
Accruals	665,856	1,132,708
	<u>1,678,709</u>	<u>2,175,659</u>
Borrowings		
Loan notes	337,911	338,802
	<u>337,911</u>	<u>338,802</u>
	<u>2,016,620</u>	<u>2,514,461</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs and are payable within 3 months. The average credit period taken for trade purchases for the Group is 36 days.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

19. Deferred Tax

The analysis of deferred tax assets is as follows:

			<i>31 March</i> <i>2013</i>	<i>30 September</i> <i>2012</i>
			£	£
Period ending 30 September 2012				
	<i>Opening balance</i>	<i>Acquired with subsidiary</i>	<i>Recognised in the income statement</i>	<i>Closing balance</i>
	£	£	£	£
Deferred tax liabilities				
Intangible assets	–	(3,048,000)	248,707	(2,799,293)
Net deferred tax liability	–	(3,048,000)	248,707	(2,799,293)
Deferred tax within 12 months			292,100	292,100
Deferred tax greater than 12 months			2,361,143	2,507,193
Deferred tax liabilities			2,653,243	2,799,293

The movement in deferred tax is as follows:

Six months ending 31 March 2013

	<i>Opening balance</i>	<i>Acquired with subsidiary</i>	<i>Recognised in the income statement</i>	<i>Closing balance</i>
	£	£	£	£
Deferred tax liabilities				
Intangible assets	(2,799,293)	–	146,050	(2,653,243)
Net deferred tax liability	(2,799,293)	–	146,050	(2,653,243)

20. Share capital and premium

The issued share capital was as follows:

Period ending 30 September 2012

	<i>Ordinary Shares Number</i>	<i>Class A Preference shares Number</i>	<i>Class B Preference shares Number</i>
At 17 October 2011	2	–	–
Issue of share capital	33,284,850	17,701,734	5,077,573
At 30 September 2012	<u>33,284,852</u>	<u>17,701,734</u>	<u>5,077,573</u>

	<i>Share Capital £</i>	<i>Share Premium £</i>
At 17 October 2011	–	–
Issue of ordinary share capital	33,285	–
Issue of Class A Preference Share capital	17,702	11,129,796
Issue of Class A Preference Share capital	5,078	–
At 30 September 2012	<u>56,065</u>	<u>11,129,796</u>

Six months ended 31 March 2013

	<i>Ordinary Shares Number</i>	<i>Class A Preference shares Number</i>	<i>Class B Preference shares Number</i>
At 1 October 2012	33,284,852	17,701,734	5,077,573
Issue of share capital	1,500,000	2,298,266	–
At 31 March 2013	<u>34,784,852</u>	<u>20,000,000</u>	<u>5,077,573</u>

	<i>Share Capital £</i>	<i>Share Premium £</i>
At 1 October 2012	56,065	11,129,796
Issue of ordinary share capital	1,500	–
Issue of Class A Preference Share capital	2,298	1,433,622
Issue of Class A Preference Share capital	–	–
Capital Reduction	–	(12,072,777)
At 31 March 2013	<u>59,863</u>	<u>490,641</u>

DESCRIPTION OF RIGHTS

Ordinary shares

Each ordinary share holds the following rights:

- One vote per share on a poll vote and a vote by show of hands.
- Right to participate in dividends.
- Right to participate in a return of capital (including on a winding up); they do not confer any rights of redemption.

A Preference shares

The A class preference shares hold the following rights:

- One vote per share on a poll vote and a vote by show of hands.
- Right to participate in dividends and a return of capital (including on a winding up) in priority to 'B' preference shares and ordinary shares. The Board may direct that immediately prior to a listing, and conditionally upon occurrence of such listing each 'A' preference share in the company's capital shall be converted into and shall be re-designated as one ordinary share in the company's capital; they do not confer any rights of redemption.

B Preference shares

The B class preference shares hold the following rights:

- One vote per share on a poll vote and a vote by show of hands.
- Right to participate in dividends and a return of capital (including on a winding up) in priority to ordinary shares. The Board may direct that immediately prior to a listing, and conditionally upon occurrence of such listing each 'B' preference share in the company's capital shall be converted into and shall be re-designated as one ordinary share in the company's capital; they do not confer any rights of redemption.

21. Reserves

	<i>Merger reserve</i> £	<i>Retained losses</i> £	<i>NCI</i> £
At 17 October 2011	–	–	–
Loss for the period	–	(5,216,140)	(1,055,006)
Share based payment expense	–	385,624	–
Acquisition of subsidiary	3,130,832	–	27,135,910
At 30 September 2012	<u>3,130,832</u>	<u>(4,830,516)</u>	<u>26,080,904</u>
	<i>Merger reserve</i> £	<i>Retained (losses)/ Profits</i> £	<i>NCI</i> £
At 1 October 2012	3,130,832	(4,830,516)	26,080,904
Loss for the period	–	(6,271,784)	(877,605)
Capital Reduction	–	12,072,777	–
Share based payment expense	–	761,248	–
At 31 March 2013	<u>3,130,832</u>	<u>1,731,725</u>	<u>25,203,299</u>

Merger reserve

The merger reserve arose on the acquisition of SQi3 Solutions Limited on 28 September 2012. As the consideration consisted entirely of shares, the Company has taken advantage of merger relief under the Companies Act 2006 and not recorded the premium on these shares. The premium has been credited to the merger reserve.

Capital reduction

On 19 October 2012, in accordance with Chapter 2, Part 13 of the Companies Act 2006 the Company passed a resolution to cancel the entire share premium of the Company at that time of £12,072,777, pursuant to a Solvency Statement made by the Directors on 30 September 2012 under Section 643 of the Companies Act 2006, made for the purposes of Section 642 of the Companies Act 2006. The purpose of this reduction was to enable the company to satisfy the net asset test required to re-register as a public limited company.

Non-Controlling Interest

The non-controlling interest arose on the acquisition of Data2Text Limited on 1 May 2012 and on the acquisition of Global IP, Inc., on 29 September 2012. The Group owns 20 per cent. of the issued share capital of Data2Text Limited and has recognised a non-controlling interest in respect of the remaining 80 per cent.

	<i>Non- Controlling Interest</i>
	£
At 17 October 2011	–
Relating to acquisition of Data2Text Ltd	23,721,956
Relating to acquisition of Global IP Inc.	2,358,948
	<u>26,080,904</u>
At 30 September 2012	<u>26,080,904</u>
	<i>Non- Controlling Interest</i>
	£
At 1 October 2012	26,080,904
Relating to loss for the period in Data2Text Ltd	(367,056)
Relating to loss for the period in Global IP Inc.	(510,549)
	<u>25,203,299</u>
At 31 March 2013	<u>25,203,299</u>

22. Obligations under operating leases

The future aggregate minimum lease payments under non cancellable operating leases are set out below:

	<i>31 March 2013</i>	<i>30 September 2012</i>
	£	£
<i>Land & Buildings</i>		
No later than one year	188,838	173,297
Later than one year, and not later than five years	635,769	608,231
	<u>824,607</u>	<u>781,528</u>
Total	<u>824,607</u>	<u>781,528</u>

23. Financial instruments

The Group has exposure to the following key risks related to financial instruments:

- i. Market risk
- ii. Credit risk
- iii. Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated Financial Statements.

The Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. The main risk affecting such instruments is foreign currency risk which is discussed below.

The Group uses financial instruments including cash, loans and trade receivables and payables that arise directly from operations.

Due to the simple nature of these financial instruments, there is no material difference between book and fair values, discounting would not give a material difference to the results of the Group and the Directors believe that there are no material sensitivities that require additional disclosure.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group seeks to limit credit risk on liquid funds through trading only with counterparties that are banks with high credit ratings assigned by international credit rating agencies.

The Group's principal financial assets are bank balances, cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. Receivables are regularly monitored and assessed for recoverability. The Group has a concentration of credit risk as it currently has just one primary customer; however this customer has high credit quality. For analysis of ageing of past due but not impaired receivables, refer to note 16.

<i>Categories of financial instruments</i>	<i>31 March 2013</i>	<i>30 September 2012</i>
	£	£
Loans and receivables		
Cash and cash equivalents	3,859,963	8,866,018
Trade and other receivables – current	780,794	367,291
Trade and other receivables – non-current	157,705	169,716
	<hr/>	<hr/>
Financial Liabilities at amortised cost		
Trade and other payables	1,678,700	2,175,660
Borrowings – current	337,911	338,802
	<hr/>	<hr/>

Market risk

(i) Foreign currency risk

The Group undertakes transactions denominated in foreign currencies (other than the functional currency of the Company and its UK operations, being £ Sterling), with exposure to exchange rate fluctuations. These transactions relate predominately in other currencies being US\$ dollars and NZ\$ dollars. No foreign exchange contracts were in place at 31 March 2013 or 30 September 2012.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities were:

	<i>31 March</i> <i>2013</i>	<i>30 September</i> <i>2012</i>
	£	£
Assets		
US\$	3,399,920	8,156,804
NZ\$	127,671	13,356
Liabilities		
US\$	120,222	67,919
NZ\$	213,727	212,648

At 31 March 2013, if the currency had weakened/strengthened by 5 per cent. against the UK pound with all other variables held constant, post-tax profit for the year would have been £186,391 (30 September 2012: £404,923) lower/higher.

(ii) *Interest rate risk management*

The Group is exposed to interest rate risk because the Group borrows and deposits funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate cash deposits and borrowings.

Interest rate sensitivity analysis

The Group's borrowings are at fixed rates. All loans are from related parties (see note 25) and are repayable on demand at an interest rate of 5 per cent.

The losses recorded by both the Group and the Company for the period ended 31 March 2013 or 30 September 2012 would not materially change if market interest rates had been 1 per cent. higher/lower throughout the period and all other variables were held constant.

Liquidity risk management

Ultimate responsibility for liquidity management rests with management. The Group's practice is to regularly review cash needs and to place excess funds on fixed term deposits for periods not exceeding one month. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows.

The Directors have prepared a business plan and cash flow forecast for the period to 31 March 2015. The forecast contains certain assumptions about the level of future sales and the level of gross margins achievable. These assumptions are the Directors' current best estimate of the future development of the business.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest due repayment dates. The table shows both interest and principal cash flows.

31 March 2013

	<i>0-6</i> <i>months</i>	<i>6-12</i> <i>months</i>	<i>Over 12</i> <i>months</i>	<i>Total</i>
	£	£	£	£
Group				
Trade and other payables	1,537,309	141,391	–	1,678,700
Borrowings – current	337,911	–	–	337,911
	<u>1,875,220</u>	<u>141,391</u>	<u>–</u>	<u>2,016,611</u>

Fair values

The Directors consider that the carrying amounts of financial assets and financial liabilities approximate their fair values.

Capital risk management

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable working capital, research and development commitments and strategic investment needs to be met and therefore to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Group considers not only its short term position but also its long term operational and strategic objectives.

The capital structure of the Group currently consists of cash and cash equivalents, borrowings, and equity comprising issued capital, reserves and retained earnings as summarised below. The Group is not subject to any externally imposed capital requirements.

	<i>31 March 2013</i>	<i>30 September 2012</i>
	£	£
Capital structure		
Cash and cash equivalents	3,859,963	8,866,018
Loan notes	337,911	338,802
Equity	5,413,061	9,486,177
Total	<u>9,610,935</u>	<u>18,690,997</u>

24. Contingent liabilities

The Directors are not aware of any material contingent liabilities.

25. Related party transactions

Transactions with the Directors and other related parties during the period are detailed below:

(a) Purchases of goods and services

	<i>Six months ended 31 March 2013</i>	<i>Unaudited Period ended 31 March 2012</i>	<i>Period ended 30 September 2012</i>
	£	£	£
<i>Purchases of services:</i>			
Key management personnel	–	43,224	–
Close family members of key management personnel	118,023	–	86,498
Total	<u>118,023</u>	<u>43,224</u>	<u>86,498</u>

Fees totaling US\$110,000 were paid to Gerald Henry (the brother of a former Director) for consultancy services provided via the Arria Design Group Ltd in the six months ended 31 March 2013 (Period ended 30 September 2012: US\$36,667)

The Company also paid Yankee Hill LLC fees of US\$45,000 for the provision of professional services provided by Rob Craig (the son of a former Director) to the Company during the six months ended 31 March 2013, and US\$30,000 for the provision of professional services provided by Melissa Craig (the daughter of a former Director) during the six months ended 31 March 2013. For the period ended 30 September 2012 these figures were US\$45,000, and US\$55,000 respectively.

(b) Key management compensation

Key management includes Directors (executive and non-executive), the Chief Financial Officer, Chief Operating Officer, and Company Secretary. The compensation paid or payable to key management is shown below:

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Salaries and other short-term benefits	686,696	–	450,468
Company contributions to money purchase pension schemes	17,250	–	9,849
Post-employment benefits			
Share-based payments	761,248	–	385,624
Total	<u>1,465,194</u>	<u>–</u>	<u>845,941</u>

(c) Directors

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
Aggregate emoluments	476,523	–	427,135
Company contributions to money purchase pension scheme	10,250	–	8,682
Total	<u>486,773</u>	<u>–</u>	<u>435,817</u>

The highest paid Director received total emoluments of £165,886 in the six months ended 31 March 2013 (Period ended 30 September 2012: £120,406, period ended 31 March 2012: £Nil).

(d) Period-end balances arising from purchases of services

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
<i>Payables:</i>			
Close family members of key management personnel	34,772	–	14,292
Total	<u>34,772</u>	<u>–</u>	<u>14,292</u>

At 30 September 2012, the Company owed Gerald Henry US\$23,082 by way of expenses incurred on behalf of the Company not yet reimbursed at 30 September 2012. This balance was repaid in full during October 2012.

(e) Loans from related parties

	<i>Six months ended 31 March 2013 £</i>	<i>Unaudited Period ended 31 March 2012 £</i>	<i>Period ended 30 September 2012 £</i>
<i>Loans from key management personnel:</i>			
Opening balance	329,808	–	–
Advanced during the period	–	–	533,000
Converted to A preference shares	–	–	(208,000)
Repaid during the period	–	–	–
Interest charged	9,439	–	4,808
At end of period	<u>339,247</u>	<u>–</u>	<u>329,808</u>
<i>Loans from close family members of key management personnel:</i>			
Opening balance	16,446	–	–
Advanced during the period	–	–	621,117
Converted to A preference shares	–	–	(416,000)
Repaid during the period	(16,881)	–	(191,316)
Interest charged	435	–	2,645
At end of period	<u>–</u>	<u>–</u>	<u>16,446</u>

During the period between January and July 2012, Michael Mayell (a former Director) loaned to the Company £208,000 by way of a loan note repayable on 365 days and accruing interest at 5 per cent. The total interest accrued as at 31 March 2013 was £8,263 (30 September 2012: £3,077).

A short term interest free loan of NZ\$300,000 was provided by Michael Mayell to the Company during the period ending 30 September 2012. This was repaid in full by the Company on 24 August 2012.

During the period between January and July 2012, Brian Henry (a former Director) loaned to the Company £325,000, of which £208,000 was subsequently converted into 320,000 A preference shares with a nominal value of £0.001 per share, on 20 July 2012. The balance was converted into a loan note repayable on 365 days and accruing interest at 5 per cent. The total interest accrued as at 31 March 2013 was £4,648 (30 September 2012: £1,731).

Between January 2011 and June 2012 Gerald Henry made advances to the Company by way of either cash or payment of expenses on the Company's behalf totaling £621,117. £416,000 of this liability was settled by way of conversion into 640,000 A preference shares at £0.65 per share, such shares being registered in the name of The NZ Family Trust. The balance of £205,117 was converted into a loan note repayable no later than July 2012, and accruing interest at 5 per cent. Between August and September 2012, repayments were made against the outstanding loan such that on 30 September 2012, the outstanding balance was £13,801. The remaining balance plus all outstanding accrued interest was repaid in full on 1st October 2012.

(f) Acquisitions from related parties

Acquisitions from close family members of key management personnel

On 28 September 2012, the Company acquired the entire share capital of SQi3 Solutions Limited from Gerald Henry, by way of a share exchange agreement. SQi3 Solutions Limited owns the underlying intellectual property of a retail optimization concept, known as the "SQM3 concept", along with the global rights for exploitation of that concept excluding exploitation in the United States of America. The consideration payable by the Company to Gerald was in the form of 5,077,753 B preference shares with nominal value of £0.001 per share, at a fair value determined by the Board of Directors of the Company of US\$1.00 per share, giving a total consideration of £3,135,910.

Acquisitions from key management personnel

On 11 September 2012, the Company entered into an agreement to acquire the entire share capital of Global IP, Inc., by way of a share exchange agreement. Global IP, Inc. was owned by Sharon Daniels (a Director) and Bob Craig (a former Director). Global IP, Inc. owns the exploitation rights of the SQM3 concept in the United States of America. The consideration payable by the Company at closing was in the form of 5,077,753 B Preference Shares with nominal value of £0.001 per share, at a fair value determined by the Board of Directors of the Company of US\$1.00 per share, giving a total consideration of £3,135,910. Sharon Daniels received 2,538,787 B preference shares in consideration for her 50 per cent. economic interest in Global IP, Inc. and the 10 Common Stock shares in Global IP, Inc. that she owned immediately prior to the transaction. Bob Craig received 2,538,787 B preference shares in consideration for his 50 per cent. economic interest in Global IP, Inc. and the 90 Common Stock shares in Global IP, Inc. that he owned immediately prior to the transaction.

Ian Davy (a former director) was a shareholder in Data2Text Limited and owned 18.4 per cent. of Data2Text Limited prior to the acquisition of the remaining 80 per cent. of Data2Text Limited by the Company. On the successful conclusion of the acquisition of the remaining 80 per cent. of Data 2 Text Limited by the Company, Ian received his proportion of the consideration payable to the shareholders of Data2Text Limited by the Company. The equity portion of the consideration eventually paid for the acquisition of the remaining 80 per cent. of Data2Text Limited included in the consolidated financial statements of the Company was a cash consideration of £3,125,000 and 23,165,488 ordinary shares. On this basis Ian receives £718,750 in cash and 5,328,062 ordinary shares in the Company.

(g) Share transactions with related parties

The following shares were acquired by related parties during the period:

Period ending 30 September 2012

	<i>2012</i>	<i>2012</i>
	<i>£</i>	<i>Number</i>
<i>Purchases by key management personnel:</i>		
Ordinary shares	19,686	19,685,760
Class A preference shares	166,621	308,000
Total	<u>186,307</u>	<u>19,993,760</u>
<i>Purchases by close family members of key management personnel:</i>		
Ordinary shares	2,393	2,392,982
Class A preference shares	695,237	1,084,345
Class B preference shares	3,135,910	5,077,573
Total	<u>3,833,540</u>	<u>8,554,900</u>

Six months ending 31 March 2013

	<i>2013</i>	<i>2013</i>
	<i>£</i>	<i>Number</i>
<i>Purchases by key management personnel:</i>		
Ordinary shares	500	500,000
Class A preference shares	–	–
Total	<u>500</u>	<u>500,000</u>

Purchases of shares by key management personnel and their close family members were made at prices consistent with other investors.

26. Subsequent events

During July and August 2013, the company issued 3,605,000 A Preference Shares with nominal value of £0.001 each for cash consideration of US\$4,506,250 (approximately £2.8 million).

On 30 September the company issued 945,630 A Preference Shares with a nominal value of £0.001 each for cash consideration of £964,543.

On 24 October 2013, the company issued 1,448,169 A Preference Shares with a nominal value of £0.001 each for cash consideration of £1,434,334.

On 23 October 2013, in accordance with Chapter 2, Part 13 of the Companies Act 2006 the company passed a resolution to cancel the entire share premium of the company, pursuant to a Solvency Statement made by the Directors on 18 October 2013. The share premium cancelled was £5,608,796.

During the month of October, the company entered into subscription agreements with investors to subscribe for 6,137,500 Ordinary Shares with a nominal value of £0.001 each for total cash consideration of US\$9,820,000, which are conditional on the listing of the company's shares on AIM. Attached to these shares are 6,137,500 warrants for Ordinary Shares with an exercise price of £1.33 each. Also during the month of October, the Company entered into an irrevocable subscription agreement with Gerald Henry to subscribe before 20 December 2013 for 281,250 Ordinary Shares for cash consideration of US\$450,000. Each share has a Warrant for Ordinary Shares attached, with an exercise price of £1.33 each.

On 25 October 2013, the Company concluded the acquisition of the remaining 80 per cent. of the share capital of Data2Text over which it had an option. Consideration was satisfied by £3,125,000 in cash and the issue of 45,000,000 B Ordinary Shares (such shares having an aggregate total value of £21,875,000). The B Ordinary shares will convert into approximately 22.65 per cent. of the share capital of the company conditional on the listing of the company's shares on AIM.

Following the acquisition of Data2Text Limited, the company concluded the acquisition of the share capital of Global IP Inc. over which it had already had control at the balance date. Consideration for Global IP Inc. was in the form of 5,077,574 B Preference Shares with a value of £3,135,910.

On 7 November 2013, the Company reregistered as a public limited company.

On 12 November 2013, the company issued 1,039,688 A Preference shares with a nominal value of £0.001 each for cash consideration of £1,034,777.

On 27 November 2013, the company issued 3,433,487 warrants for Ordinary Shares (for nil consideration) with an exercise price of £1.33 each.

27. Control

The shares of the Company are widely held and there is no one controlling party.

**PART IV
ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF DATA2TEXT**

The Directors
Arria NLG plc
Space One
1 Beadon Road
Hammersmith
London
W6 0EA

Allenby Capital Limited (the "Nominated Adviser")
3 St. Helen's Place
London
EC3A 6AB

29 November 2013

Dear Sirs

Data2Text Limited

We report on the financial information set out below (the "Historical Financial Information of Data2Text") as at and for the year ended 28 February 2011, year ended 29 February 2012 and 7 months ended 30 September 2012. The Historical Financial Information of Data2Text has been prepared for inclusion in the admission document dated 29 November 2013 (the "Document") of Arria NLG plc (the "Company") on the basis of the accounting policies set out in part IV. This report is required by Schedule Two of the AIM Rules for Companies published by the London Stock Exchange plc (the "AIM Rules") and is given for the purpose of complying with that Schedule and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Historical Financial Information of Data2Text in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Historical Financial Information of Data2Text gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of 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 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 to the AIM Rules, consenting to its inclusion in the Document.

Basis of opinion

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

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

Opinion

In our opinion, the Historical Financial Information of Data2Text gives, for the purposes of the document dated 29 November 2013, a true and fair view of the state of affairs of Data2Text Limited as at 28 February 2011, 29 February 2012 and 30 September 2012 and of its profits and losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

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

Yours faithfully

PricewaterhouseCoopers LLP

Chartered Accountants

DATA2TEXT LIMITED

STATEMENT OF FINANCIAL POSITION

as at 30 September 2012, 29 February 2012 and 28 February 2011

	<i>7 Months ended 30 September 2012</i>	<i>Year ended 29 February 2012</i>	<i>Year ended 28 February 2011</i>
<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>
Continuing operations			
Revenue	304,111	294,359	264,824
Cost of sales	(40,787)	(44,998)	(23,383)
GROSS PROFIT	<u>263,324</u>	<u>249,361</u>	<u>241,441</u>
Other operating income	173	35,645	10,294
Administrative expenses	(311,877)	(280,307)	(187,718)
OPERATING (LOSS)/PROFIT	<u>(48,380)</u>	<u>4,699</u>	<u>64,017</u>
Finance Income	4	3	-
Finance costs	5	(2)	(1)
(LOSS)/PROFIT BEFORE INCOME TAX	<u>6</u>	<u>4,700</u>	<u>64,016</u>
Income tax	7	(1,435)	(11,798)
(LOSS)/PROFIT FOR THE PERIOD	<u>(48,488)</u>	<u>3,265</u>	<u>52,218</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME	<u><u>(48,488)</u></u>	<u><u>3,265</u></u>	<u><u>52,218</u></u>

STATEMENT OF COMPREHENSIVE INCOME

for the 7 month period ended 30 September 2012 and for the years ended 29 February 2012 and 28 February 2011

	<i>Notes</i>	<i>As at 30 September 2012 £</i>	<i>As at 29 February 2012 £</i>	<i>As at 28 February 2011 £</i>
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	8	13,023	11,461	13,583
		<u>13,023</u>	<u>11,461</u>	<u>13,583</u>
CURRENT ASSETS				
Trade and other receivables	9	208,683	47,365	24,495
Cash and cash equivalents	10	271,868	42,550	84,913
		<u>480,551</u>	<u>89,915</u>	<u>109,408</u>
TOTAL ASSETS		<u>493,574</u>	<u>101,376</u>	<u>122,991</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	11	125	100	100
Share premium account		334,965	9,990	9,990
Retained earnings	12	262,199	74,687	71,422
TOTAL EQUITY		<u>361,289</u>	<u>84,777</u>	<u>81,512</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	13	132,285	16,599	41,479
TOTAL LIABILITIES		<u>132,285</u>	<u>16,599</u>	<u>41,479</u>
TOTAL EQUITY AND LIABILITIES		<u><u>361,289</u></u>	<u><u>101,376</u></u>	<u><u>122,991</u></u>

STATEMENT OF CHANGES IN EQUITY

for the 7 month period ended 30 September 2012 and the years ended 29 February 2012 and 28 February 2011

	<i>Called up share capital £</i>	<i>Share premium account £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
Balance at 28 February 2010	100	9,990	19,204	29,294
Comprehensive income				
Total comprehensive income	–	–	52,218	52,218
Balance at 28 February 2011	100	9,990	71,422	81,512
Comprehensive income				
Total comprehensive income	–	–	3,265	3,265
Balance at 29 February 2012	100	9,990	74,687	84,777
Contributions by owners of Data2Text				
Issue of share capital	25	324,975	–	325,000
Comprehensive (loss)				
Total comprehensive income	–	–	(48,488)	(48,488)
Balance at 30 September 2012	125	334,965	262,199	361,289

STATEMENT OF CASH FLOWS

for the 7 month period ended 30 September 2012 and the years ended 29 February 2012 and 28 February 2011

		<i>30 September</i>	<i>29 February</i>	<i>28 February</i>
		<i>2012</i>	<i>2012</i>	<i>2011</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash flows from operating activities				
Cash (used in)/generated from operations	14	100,753	(26,623)	61,330
Interest paid		(108)	(2)	(1)
Income tax paid		–	(11,685)	(3,667)
		<u>100,645</u>	<u>(38,310)</u>	<u>57,662</u>
Cash flows from investing activities				
Purchase of property, plant and equipment		(6,500)	(4,056)	(12,299)
Interest received		173	3	–
		<u>(6,327)</u>	<u>(4,053)</u>	<u>(12,299)</u>
Cash flows from financing activities				
Proceeds from the issuance of ordinary shares		135,000	–	–
		<u>135,000</u>	<u>–</u>	<u>–</u>
(Decrease)/Increase in cash and cash equivalents				
		229,318	(42,363)	45,363
Cash and cash equivalents at beginning of period		<u>42,550</u>	<u>84,913</u>	<u>39,550</u>
Cash and cash equivalents at end of period	15	<u><u>271,868</u></u>	<u><u>42,550</u></u>	<u><u>84,913</u></u>

NOTES TO THE FINANCIAL INFORMATION**for the 7 month period ended 30 September 2012 and the years ended 29 February 2012 and 28 February 2011****1. ACCOUNTING POLICIES****General information**

Data2Text is a technology company providing software solutions to various industries.

Data2Text is a limited company domiciled in the United Kingdom and incorporated under registered number SC355243 in Scotland. Data2Text's registered office is Johnson House, Aberdeen, AB10 1HA.

Basis of preparation

This Financial Information is prepared for the purpose of the AIM admission document dated 29 November 2013, and presents the financial track record of Data2Text for the 7 month period 30 September 2012 and each of the two years ended 29 February 2012 and 28 February 2011.

This special purpose financial information has been prepared in accordance with the requirements of the AIM Rules for Companies in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial information has been prepared in accordance with EU adopted IFRS and IFRIC interpretations.

The financial information has been prepared on a going concern basis and under the historical cost convention. The historical financial information is presented in thousands of pounds sterling ("£") except when otherwise indicated.

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Adoption of new and revised International Financial Reporting Standards

No new IFRS standards, amendments or interpretations became effective in the periods presented which had a material effect on this Financial Information.

A number of new standards and amendments to standards and interpretations are effective for periods beginning after 1 October 2012, and have not been applied in preparing this financial information. None of these is expected to have a significant effect on the financial information of the company, except as set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Data2Text is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on 1 October 2015.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT. The group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below.

Revenue relating to software development that is contracted on a time and materials basis is recognised as the services are performed.

Revenue relating to the sale of software licences is based on a fixed charge recognised on a straight-line basis over the period to which the license relates.

Revenue in respect of licences is generally billed in advance. If the amount of revenue recognised exceeds the amounts invoiced to customers, the excess amount is recorded as accrued income within accounts receivable. The excess of licence fees invoiced over revenue recognised is recorded as deferred revenue.

Government Grants

Income from Government Grants received in respect of Grants for Research and development is credited to the income statement as received.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment – 33% straight line

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Taxation

Income tax expense represents the sum of the current tax and deferred tax charge for the year.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Data2Text's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end.

Deferred tax

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses and are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Research and development

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects are recognised as intangible assets when the following criteria are fulfilled:

- It is technically feasible to complete the intangible asset so that it will be available for use or resale;
- Management intends to complete the intangible asset and use or sell it;

- There is an ability to use or sell the intangible;
- It can be demonstrated how the intangible asset will generate possible future economic benefits;
- Adequate technical, financial and other resource to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense in the period incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and are amortised from the point at which they are ready for use on a straight line basis over the asset's estimated useful life.

Leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Foreign currencies

(i) Functional and presentational currency

Items included in the Financial Information are measured using the currency of the primary economic environment in which each entity operates ("the functional currency") which is considered by the Directors to be Pounds sterling (£). The Financial Information has been presented in Pounds sterling (£).

(ii) Transactions and balances

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

Pension contributions

Data2Text operates a defined contribution plan and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Critical accounting estimates and judgements

The preparation of the financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial information. In the future, actual experience could differ from those estimates.

Further details of estimates and assumptions are set out in each of the relevant accounting policies and detailed notes to the financial information.

The principal judgements made by management that could have a significant impact upon Data2Text's financial results relate to the following:

- the assertions in the preparation of the financial information on a going concern basis as outlined in the basis of preparation;
- the assessment of receivables for impairment as outlined in note 9.

Financial Instruments

Financial instruments are initially recognised at fair value. Fair value is the amount at which such an instrument could be exchanged in an arm's-length transaction between informed and willing parties.

Unquoted investments with no reliable measure of fair value are stated at cost less impairment. Income from these investments is recognised in the income statement when entitlement is established.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each statement of financial position date whether or not there is objective evidence that a financial asset is impaired.

Trade and other receivables are recognised initially at fair value and subsequently restated for any impairment. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents comprise cash at bank and in hand as well as short term bank deposits.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when Data2Text becomes party to the contractual provisions of the instrument. All financial liabilities are recorded initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, less settlement payments. Interest related charges are recognised as an expense in finance costs in the income statement.

Finance charges, including premiums payable on settlement or redemption and direct issue costs are charged to the income statement on an accruals basis using the effective interest method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are obligations to pay for goods, services and fees that have been either acquired or incurred in the ordinary course of business. Amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

A financial liability is derecognised only when the obligation is discharged, cancelled or expires.

2. SEGMENTAL REPORTING

The Chief Executive Officer of the Company is Data2Text's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Chief Executive Officer for the purpose of resource allocation and assessment of performance, and it is considered that is one operating segment, being the provision of computer software which is all generated from one geographical location, being the UK.

Entity-wide information

Revenue by geography

	<i>Period ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>30 September</i>	<i>29 February</i>	<i>28 February</i>
	<i>2012</i>	<i>2012</i>	<i>2011</i>
	£	£	£
Revenue derived from the UK	210,107	57,994	69,824
Revenue derived from the Netherlands	94,004	236,365	195,000
Total Revenue	<u>304,111</u>	<u>294,359</u>	<u>264,824</u>
Revenues derived from single customers whose revenues are 10 per cent. or greater than overall revenues are:			
Customer A	94,004	236,365	195,000
Customer B	–	57,994	46,240
Customer C	<u>203,007</u>	<u>–</u>	<u>–</u>

3. EMPLOYEES AND DIRECTORS

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Wages and salaries	204,052	188,408	131,478
Social security costs	13,495	20,165	12,580
Other pension costs	14,052	23,743	4,346
	<u>231,599</u>	<u>232,316</u>	<u>148,404</u>
The average monthly number of employees during the periods were as follows:			
Directors	5	4	4
Technical	10	4	1
	<u>15</u>	<u>8</u>	<u>5</u>
Directors' remuneration	<u>38,787</u>	<u>33,333</u>	<u>25,500</u>
Directors' pension contributions to money purchase schemes	<u>1,458</u>	<u>1,667</u>	<u>375</u>

4. FINANCE INCOME

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Interest receivable	<u>-</u>	<u>3</u>	<u>-</u>

5. FINANCE COSTS

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Finance costs:			
Bank interest	<u>108</u>	<u>2</u>	<u>1</u>

6. PROFIT/(LOSS) BEFORE INCOME TAX

The profit/(loss) before income tax is stated after charging:

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Employee costs	231,599	232,316	148,404
Rent	9,719	11,900	7,650
Depreciation – owned assets	<u>4,938</u>	<u>6,178</u>	<u>4,127</u>

7. INCOME TAX

Analysis of the tax charge

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Current tax:			
Current tax on profits for the year	–	1,435	11,798
Income tax expense/(credit)	–	1,435	11,798

Factors affecting the tax charge

The tax assessed differs from the standard rate of corporation tax in the UK. The difference is explained below:

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Profit/(loss) on ordinary activities before tax	(48,488)	4,700	64,016
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20%, 20% and 21% respectively	(9,698)	940	13,443
Effects of:			
Capital allowances for period in excess of depreciation	–	424	(1,716)
Non-deductible expenses	–	71	71
Losses for which no deferred tax asset recognised	9,698	–	–
Total income tax	–	1,435	11,798

8. PROPERTY, PLANT AND EQUIPMENT

	<i>Computer equipment</i>
	£
7 months ended 30 September 2012	
Cost	
At 1 March 2012	22,230
Additions	6,500
	<u>28,730</u>
At 30 September 2012	
Accumulated depreciation	
At 1 March 2012	10,769
Depreciation expense	4,938
	<u>15,707</u>
At 30 September 2012	
Carrying amount	
1 March 2012	<u>11,461</u>
At 30 September 2012	
	<u>13,023</u>
Year ended 29 February 2012	
Cost	
At 1 March 2011	18,174
Additions	4,056
	<u>22,230</u>
At 29 February 2012	
Accumulated depreciation	
At 1 March 2011	4,591
Depreciation expense	6,178
	<u>10,769</u>
At 29 February 2012	
Carrying amount	
At 1 March 2011	<u>13,583</u>
At 29 February 2012	
	<u>11,461</u>
Year ended 28 February 2011	
Cost	
At 1 March 2010	5,875
Additions	12,299
	<u>18,174</u>
At 28 February 2011	
Accumulated depreciation	
At 1 March 2010	464
Depreciation expense	4,127
	<u>4,591</u>
At 28 February 2011	
Carrying amount	
At 1 March 2010	<u>5,411</u>
At 28 February 2011	
	<u><u>13,583</u></u>

9. TRADE AND OTHER RECEIVABLES

	<i>30 September</i> 2012	<i>29 February</i> 2012	<i>28 February</i> 2011
	£	£	£
Current:			
Trade receivables	14,257	42,651	–
VAT recoverable	–	2,843	1,131
Accrued revenue	–	–	10,294
Other debtors and prepayments	4,426	1,871	13,070
Deferred share receivable (note 11)	190,000	–	–
	<u>208,683</u>	<u>47,365</u>	<u>24,495</u>

Disclosure of credit risk

The directors consider that the carrying amount of trade and other receivables approximates to their value.

The ageing of the trade receivables as at the end of the period is detailed below:

	<i>30 September</i> 2012	<i>29 February</i> 2012	<i>28 February</i> 2011
	<i>Gross</i> £	<i>Gross</i> £	<i>Gross</i> £
0 to 30 days	<u>14,257</u>	<u>42,651</u>	<u>–</u>

In all periods presented, trade receivables are fully performing and none were past due but not impaired.

10. CASH AND CASH EQUIVALENTS

	<i>30 September</i> 2012	<i>29 February</i> 2012	<i>28 February</i> 2011
	£	£	£
Cash at bank	<u>271,868</u>	<u>42,550</u>	<u>84,913</u>

11. CALLED UP SHARE CAPITAL

	<i>30 September</i> 2012	<i>29 February</i> 2012	<i>28 February</i> 2011
Number of shares in issue			
Shares in issue at beginning of the period	100	100	100
Allotted on 1 May 2012	25	–	–
	<u>125</u>	<u>100</u>	<u>100</u>
Number of share in issue			
	<u>125</u>	<u>100</u>	<u>100</u>
Nominal value of shares in issue			
Nominal value of Shares in issue at beginning of the period	100	100	100
Allotted on 1 May 2012	25	–	–
	<u>125</u>	<u>100</u>	<u>100</u>
Number of share in issue			
	<u>125</u>	<u>100</u>	<u>100</u>

On 1 May 2012, Arria NLG plc subscribed for 25 shares, representing 20 per cent. of the share capital of Data2Text for a total value of £325,000. This amount is to be paid up in equal installments over a period of 12 months. As at 30 September 2012, £135,000 had been paid up and £190,000 is recorded as a receivable (note 9). The effect of discounting is not considered material.

12. RESERVES

	<i>Retained earnings</i>	<i>Share Premium</i>	<i>Totals</i>
	£	£	£
Balance at 1 March 2010	19,204	9,990	29,194
Retained profit for the year	52,218	–	52,518
As at 28 February 2011	71,422	9,990	81,712
Retained profit for the year	3,265	–	3,265
As at 29 February 2012	74,687	9,990	84,977
Retained loss for the Period	(48,488)	–	(48,488)
Shares issued	–	324,975	324,975
As at 30 September 2012	26,199	334,965	361,164

The following describes the nature and purpose of each reserve within equity:

<i>Reserve</i>	<i>Description and purpose</i>
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement and statement of comprehensive income
Share premium	Amount subscribed for share capital in excess of nominal value.

13. TRADE AND OTHER PAYABLES

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Current:			
Trade creditors	60,601	4,345	10,999
Social security and other taxes	–	7,246	5,014
Accruals and deferred income	35,180	–	–
Corporation tax	22	1,548	11,798
Other creditors	36,482	3,460	13,668
	132,285	16,599	41,479

The ageing of the trade payables as at is detailed below:

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
0 to 30 days	53,448	1,537	10,999
31 to 60 days	7,153	1,435	–
61 to 90 days	–	–	–
Over 90 days	–	1,373	–
	–	4,345	10,999

14. RECONCILIATION OF OPERATING PROFIT TO CASH (USED IN)/GENERATED FROM OPERATIONS

	<i>30 September</i> <i>2012</i> £	<i>29 February</i> <i>2012</i> £	<i>28 February</i> <i>2011</i> £
(Loss)/profit before income tax	(48,553)	4,699	64,017
Depreciation charges	4,938	6,178	4,127
Increase in trade and other receivables	28,682	(22,870)	(20,912)
(Decrease)/increase in trade and other payables	115,686	(14,630)	14,098
Cash (used in)/generated from operations	<u>100,753</u>	<u>(26,623)</u>	<u>61,330</u>

15. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts:

	<i>30 September</i> <i>2012</i> £	<i>29 February</i> <i>2012</i> £	<i>28 February</i> <i>2011</i> £
Cash and cash equivalents	<u>271,868</u>	<u>42,550</u>	<u>84,913</u>

16. RELATED PARTY TRANSACTIONS

(a) Purchases of goods and services

Data2Text has undertaken the following transactions with The University Court of the University of Aberdeen, which is a significant shareholder:

	<i>30 September</i> <i>2012</i> £	<i>29 February</i> <i>2012</i> £	<i>28 February</i> <i>2011</i> £
Rental of office space	9,719	11,900	7,650
Consultancy	34,717	40,787	23,283
Amounts outstanding at the end of the year	<u>1,367</u>	<u>4,106</u>	<u>-</u>

Data2Text has undertaken the following transactions with Arria NLG plc which owns 100 per cent. of the share capital of Data2Text and is deemed to have control of the company from 1 May 2012:

	<i>30 September</i> <i>2012</i> £	<i>29 February</i> <i>2012</i> £	<i>28 February</i> <i>2011</i> £
Management fee revenue	68,007	-	-
Amounts outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>

Data2Text has undertaken the following transactions with SQi3 Solutions Limited, a fellow subsidiary of Arria NLG plc:

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Consultancy revenue	135,000	–	–
Amounts outstanding at the end of the year	–	–	–

(b) Key management compensation

Key management includes Directors and Senior technical employees. The compensation paid or payable to key management is shown below:

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Salaries and other short-term employee benefits	66,665	33,827	27,249
Post-employment benefits	11,279	1,667	375
Total	77,944	35,494	27,624

17. RECONCILIATION OF MOVEMENTS IN EQUITY

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
Share issued during the period	325,000	–	–
Retained profit for the financial period	(48,488)	3,265	52,218
Net addition to equity	276,512	3,265	52,218
Opening equity	84,777	81,512	29,294
Closing equity	361,289	84,777	81,512

18. CONTROLLING INTEREST

The shares in the company are held by a number of parties and no one party had a controlling interest during the periods ended 28 February 2011 or 29 February 2012.

On 1 May 2012, Arria NLG plc subscribed for 20 per cent. of the share capital of the company and an option agreement to acquire the remaining 80 per cent. was entered into. Arria NLG plc therefore gained control of the company from 1 May 2012.

19. FINANCIAL RISK MANAGEMENT

Data2Text has exposure to the following key risks related to financial instruments:

- i. Credit risk
- ii. Market risk
- iii. Liquidity risk

This note presents information about Data2Text's exposure to each of the above risks, Data2Text's objectives, policies and processes for measuring and managing risk, and Data2Text's management of capital. Further quantitative disclosures are included throughout this Financial Information.

The Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. The main risk affecting such instruments is foreign currency risk which is discussed below.

Data2Text uses financial instruments including cash, loans and trade receivables and payables that arise directly from operations.

Due to the simple nature of these financial instruments, there is no material difference between book and fair values, discounting would not give a material difference to the results of Data2Text and the Directors believe that there are no material sensitivities that require additional disclosure.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to Data2Text. Data2Text seeks to limit credit risk on liquid funds through trading only with counterparties that are banks with high credit ratings assigned by international credit rating agencies.

Data2Text's principal financial assets are cash, trade and other receivables. Data2Text's credit risk is primarily attributable to its trade receivables. Receivables are regularly monitored and assessed for recoverability. Data2Text has a concentration of credit risk as it has just one primary customer; however this customer has high credit quality. For analysis of ageing of past due but not impaired receivables, refer to note 9.

Market risk

(i) Foreign currency risk

Data2Text undertakes some sales transactions denominated in US\$ dollars. No foreign exchange contracts were in place.

The carrying amount of Data2Text's foreign currency denominated trade receivables were:

	<i>30 September 2012</i>	<i>29 February 2012</i>	<i>28 February 2011</i>
	£	£	£
USD	–	22,198	–

At 30 September 2012, if the currency had weakened/strengthened by 5 per cent. against the UK pound with all other variables held constant, post-tax profit for the year would have been £nil (29 February 2012: £1,057, 28 February 2011: £nil) lower/higher.

Liquidity risk

Ultimate responsibility for liquidity management rests with management. Data2Text's practice is to regularly review cash needs and to place excess funds on fixed term deposits for periods not exceeding one month. Data2Text manages liquidity risk by continuously monitoring forecast and actual cash flows.

The Directors have prepared a business plan and cash flow forecast for the period to 30 June 2014. The forecast contains certain assumptions about the level of future sales and the level of gross margins achievable. These assumptions are the Directors' current best estimate of the future development of the business.

The only financial liabilities the company has are trade and other payables as disclosed in note 13. These are due to mature within 6 months.

Capital risk management

In managing its capital, Data2Text's primary objective is to maintain a sufficient funding base to enable working capital, research and development commitments and strategic investment needs to be met and therefore to safeguard Data2Text's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In making decisions to adjust its capital structure to achieve these aims, through new share issues, Data2Text considers not only its short term position but also its long term operational and strategic objectives.

The capital structure of Data2Text currently consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as summarised below. Data2Text is not subject to any externally imposed capital requirements.

	<i>30 September</i> <i>2012</i> £	<i>29 February</i> <i>2012</i> £	<i>28 February</i> <i>2011</i> £
Cash and cash equivalents	271,868	42,550	84,913
Equity	<u>367,897</u>	<u>74,687</u>	<u>71,422</u>
Total	<u><u>639,765</u></u>	<u><u>117,237</u></u>	<u><u>156,335</u></u>

20. SUBSEQUENT EVENTS

On 25 October 2013, Arria NLG plc exercised its option to acquire the remaining 80 per cent. of the share capital of Data2Text Limited. Consideration was satisfied by £3,125,000 in cash paid to the shareholders and the issue of 45,000,000 B Ordinary Shares (such shares having an aggregate total value of £21,875,000) to the shareholders. The B Ordinary Shares will convert into approximately 22.65 per cent. of the share capital of Arria NLG plc conditional on the listing of Arria NLG plc's shares on AIM.

PART V DETAILS OF THE WARRANT INSTRUMENT

The Warrants are constituted by, and issued subject to and with the benefit of, the Warrant Instrument.

Holders of Warrants are and will be bound by all the terms and conditions set out in the Warrant Instrument. The terms and conditions attached to the Warrants and summarised in this Part V. Statements made in this summary are a description of those made in the Warrant Instrument.

1. DEFINITIONS

In this Part V, unless the context requires otherwise, each of the following expressions has the following meanings:

Articles	the articles of association of the Company in force from time to time.
Business Day	any day (other than a Saturday or Sunday) or an English bank or public holiday.
Certificate	in relation to a Warrant, a certificate evidencing a Warrantholder's entitlement to Warrants.
Exercise Date	(i) in relation to a Warrant which is in certificated form, the date of delivery to the registered office of the Company of the items specified in the Warrant Instrument (and the date of such delivery shall be the date on which such items are received at the Company's registered office) or if not a Business Day then the immediately following Business Day; and (ii) in relation to a Warrant which is in uncertificated form, the date of receipt of the properly authenticated dematerialised instruction and/or other instruction or notification.
Independent Expert	a partner of at least 10 years' standing at PricewaterhouseCoopers LLP nominated by the parties concerned or, in the event of a disagreement as to nomination, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).
Long Stop Date	30 September 2017.
Notice of Exercise	in relation to a Warrant, the duly completed notice of exercise in the form, or substantially in the form, contained in the certificate for such Warrant.
Register	the register of holders of Warrants to be maintained by the Registrar.
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time).
Regulatory Approvals	with respect to a Warrantholder (or a proposed transferee or allottee of a Warrant), to the extent applicable and required to permit a Warrantholder (or a proposed transferee or allottee of a Warrant) to exercise the Warrants for Ordinary Shares and to own such Ordinary Shares, or to acquire a Warrant, without the Warrantholder (or a proposed transferee or allottee of a Warrant) or the Company being in violation of applicable law, rules or regulation (whether of the FCA or otherwise), the receipt of any necessary approvals and authorisations

	of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under any applicable law or regulation (whether of the FCA or otherwise).
stock account	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited.
Special Resolution	a resolution of the Warrantholders holding not less than 75 per cent. of the outstanding Warrants.
Subscription Price	subject to the provisions of the Warrant Instrument, £1.33 per Ordinary Share.
Subscription Rights	the rights of the Warrantholders to subscribe for Ordinary Shares pursuant to the Warrants on the terms and subject to the conditions of the Warrant Instrument.
Warrantholder(s)	the person(s) in whose name(s) a Warrant is registered in the Register from time to time.

2. SUBSCRIPTION RIGHTS

- 2.1 Warrantholders are entitled in respect of every one Warrant held to subscribe for one Ordinary Share in the Company at a price per share equal to the Subscription Price. The Warrants registered in a Warrantholder's name will be evidenced by a Certificate issued by the Company.
- 2.2 Each Warrant may be exercised by Warrantholders at any time after the date on which the Warrants are issued and before the Long Stop Date.
- 2.3 In order to exercise the whole or any part of its holding of Warrants held in certificated form, a Warrantholder must deliver to the Company before the Long Stop Date a Notice of Exercise together with the relevant Certificate and the remittance in cleared funds of an amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Warrants which are being exercised.
- 2.4 In order to exercise the whole or any part of its holding of Warrants in uncertificated form, a Warrantholder must deliver to the Company before the Long Stop Date a properly authenticated dematerialised instruction and/or other instruction or notification together with the payment transfer for the aggregate amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Subscription Rights.
- 2.5 Once delivered to the Company in accordance with paragraphs 2.3 and 2.4 above, a Notice of Exercise shall (save with the consent of the Company) be irrevocable.
- 2.6 To the extent that Ordinary Shares to be allotted and issued on the exercise of Warrants held in certificated form, the Company shall deliver a share certificate for the Ordinary Shares so allotted to the relevant Warrantholder by no later than 28 days after such Notice of Exercise was delivered to the Company in accordance with paragraph 2.3.
- 2.7 To the extent that Ordinary Shares to be allotted and issued on the exercise of Warrants held in uncertificated form through CREST, the Company shall procure that Euroclear UK & Ireland Limited is instructed to credit to the stock account of the relevant Warrantholder entitlements to such Ordinary Shares.
- 2.8 Ordinary Shares allotted pursuant to the exercise of Warrants shall be allotted and issued credited as fully paid, shall have the rights set out in the Articles, shall be entitled in full to all dividends and distributions declared or paid on any date, or by reference to any date, on or after the date on which the relevant Notice of Exercise was delivered to the Company in accordance with paragraph 2.3 or 2.4 above and shall
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otherwise rank *pari passu* in all respects from the date of allotment with the Ordinary Shares of the Company then in issue.

- 2.9 Warrants shall be deemed to be exercised on the Exercise Date.
- 2.10 No Ordinary Shares shall be allotted to a person on exercise of the Warrants if such allotment and/or the issue of shares in uncertificated form and/or the delivery of the relevant share certificate would either be in contravention of the laws or rules of any overseas territory or with any overseas regulatory authority, would require any registration to be made in any overseas territory or with any overseas regulatory authority or would require any Regulatory Approval. In such case, the Company shall take reasonable steps (at the cost of the relevant Warrantholder) to assist the relevant Warrantholder in obtaining the relevant Regulatory Approval, provided at all times that, until such Regulatory Approval is obtained to the reasonable satisfaction of the Company, the Company shall be under no obligation to allot or issue the relevant Ordinary Shares and that, in the event that such Regulatory Approval has not been obtained by, and/or the allotment and/or issue of Ordinary Shares and/or the delivery of the relevant share certificate to the relevant person would still be in contravention of the laws or rules of any overseas territory or overseas regulatory authority or would require any registration to be made in any overseas territory or with any overseas regulatory authority at the date falling 180 days following the Exercise Date of the relevant Warrantholder, the relevant Notice of Exercise shall be deemed not to have been given by the relevant Warrantholder and, accordingly, the relevant Warrants shall be deemed not to have been exercised.
- 2.11 If any Warrantholder is in possession of relevant inside information and is thereby precluded from exercising any Warrants or any part thereof immediately prior to the Long Stop Date, then, in respect of such Warrantholder, the Long Stop Date shall be extended until the date which falls 10 Business Days after the later of (i) the day on which the Warrantholder ceases to be an insider (as defined in the Criminal Justice Act 1993) and (ii) the day on which the Warrantholder ceases to be an insider (as defined in section 118B of the Financial Services and Markets Act 2000).

3. ADJUSTMENT OF SUBSCRIPTION RIGHTS

- 3.1 Upon the occurrence of a reorganisation or reclassification of the share capital of the Company, or an issue of new shares, capitalisation issue or offer by way of rights by the Company, or a sub-division, reduction or consolidation of the capital of the Company, or a merger or consolidation of the Company with or into another company or demerger, or the modification of rights attaching to the Ordinary Shares or a dividend in kind declared and/or made by the Company (each an “**Adjustment Event**”) after the date on which any Warrants are granted, the number of Ordinary Shares which are the subject of the Warrants and the Subscription Price payable on the exercise of Warrants shall be adjusted either in such manner as the Company and the Warrantholder(s) holding the majority of the outstanding Warrants from time to time agree in writing is appropriate or, failing agreement, in such manner as the Independent Expert shall certify is appropriate. For the purposes of this paragraph 3.1, an adjustment to the Warrants and the Subscription Price shall be “**appropriate**” if, as a consequence of the adjustment, Warrantholders enjoy the same economic effect on the exercise of their Warrants as if the relevant Adjustment Event had not occurred or arisen. The Company and the Warrantholders shall endeavour to agree any adjustment within 14 Business Days of the Adjustment Event, failing which the adjustment shall be certified by the Independent Expert and the Company shall give notice of the adjustment (as certified by the Independent Expert) to Warrantholders within 30 Business Days of the relevant Adjustment Event together with a new Certificate in respect of any additional Warrants to which Warrantholders are entitled in consequence of such adjustment. Any such additional Warrants shall confer the same rights and restrictions as are attached to the Warrants which are in issue at the date of the Adjustment Event (subject to any adjustment to the Subscription Price which is made as set out in this paragraph 3.1).
- 3.2 The Company shall not implement an Adjustment Event if it would otherwise result in the Subscription Price payable per Ordinary Share on the exercise of the Warrants being less than the nominal value of an Ordinary Share.
- 3.3 No exercise of Warrants shall result in the issue of a fraction of an Ordinary Share. Any fractional entitlements to Ordinary Shares arising as a result of an adjustment shall be rounded down to the nearest whole Ordinary Share.

4. WINDING-UP OF THE COMPANY

- 4.1 If, at any time when any Subscription Rights are exercisable, an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected then:
- 4.1.1 if such winding-up or dissolution is for the purpose of a reconstruction or amalgamation pursuant to a scheme of arrangement to which any Warrantholder has consented in writing, the terms of such scheme of arrangement will be binding on such Warrantholder; or
- 4.1.2 in any other case, the Company shall forthwith notify the Warrantholder stating that such an order has been made or resolution has been passed or other dissolution is to be effected and the Warrantholder shall be entitled at any time within one month after the date such notice is published to elect by notice in writing to the Company to be treated as if it had, immediately before the date of the making of the order or passing of the resolution or other dissolution, exercised all of its Warrants and it shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Ordinary Shares, such a sum, if any, as it would have received had it been the holder of and paid for the Ordinary Shares to which it would have become entitled by virtue of such exercise, after deducting from such sum an amount equal to the amount which would have been payable by it in respect of such Ordinary Shares if it had exercised all its Warrants, but nothing contained in this paragraph shall have the effect of requiring the Warrantholder to make any actual payment to the Company.
- 4.2 Subject to compliance with paragraph 4.1, the Warrants shall lapse on a dissolution or winding-up of the Company.

5. UNDERTAKINGS

- 5.1 Unless otherwise authorised in writing by the Warrantholder(s) holding the majority of the outstanding Warrants from time to time:
- 5.1.1 the Company shall maintain all necessary authorisations pursuant to the Act to enable it to lawfully and fully perform its obligations under the Warrant Instrument to allot and issue Ordinary Shares upon the exercise of all Warrants remaining exercisable from time to time;
- 5.1.2 if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the Ordinary Share capital of the Company, the Company will as soon as possible give notice of such offer to the Warrantholders and use its best endeavours to procure that a full and adequate opportunity is given to the Warrantholders to exercise the Warrants and that a like offer, being one *pari passu* with the best terms offered to holders of Ordinary Shares, is extended in respect of any Ordinary Shares issued upon exercise of the Warrants. The publication of a scheme of arrangement under sections 895 to 899 of the Act providing for the acquisition by any person of the whole or any part of the Ordinary Share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 5.1.2 and references herein to such an offer shall be read and construed accordingly;
- 5.1.3 if at any time an offer or invitation is made by the Company to the holders of Ordinary Shares for the purchase by the Company of any of the Ordinary Shares, the Company shall simultaneously give notice thereof to the Warrantholders who shall be entitled, at any time while such offer or invitation is open for acceptance, to exercise their Warrants on the terms (subject to any adjustments pursuant to paragraph 3.1 above) on which the same could have been exercised and as if the same had been exercised on the day immediately preceding the record date for such offer or invitation;
- 5.1.4 the Company shall supply to the Warrantholders copies of all notices of meetings, annual reports and accounts and all documents required by law to be annexed thereto and all statements, circulars and other communications to its shareholders at the same time as they are despatched to its shareholders.

6. MODIFICATION OF RIGHTS

- 6.1 All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered, amended or abrogated only with the prior sanction of a Special Resolution of the Warrantholders and the agreement of the Company and shall be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to the Warrant Instrument.
- 6.2 All the provisions of the Articles for the time being of the Company relating to general meetings shall apply *mutatis mutandis* as though the Warrants were a class of shares forming part of the capital of the Company except that:
- 6.2.1 the necessary quorum shall be Warrantholders present (in person or by proxy) entitled to subscribe for 20 per cent. in nominal amount of the Ordinary Shares attributable to the outstanding Warrants;
- 6.2.2 every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Warrants held by him; and
- 6.2.3 any Warrantholder present (in person or by proxy) may demand or join in demanding a poll.

7. TRANSFER

The Warrants shall be in registered form and be either in certificated or uncertificated form. Warrants in certificated form shall be transferable by instrument in writing in the usual common form (or in such other form as the Directors may reasonably approve). Warrants in uncertificated form shall be transferable by a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company. A Warrantholder's holding of Warrants may be transferred in whole or in part, but no transfer of a right to subscribe for a fraction of an Ordinary Share shall be affected.

8. PURCHASE

- 8.1 The Company and its subsidiaries shall have the right to purchase Warrants in the market, by tender or by private treaty or otherwise, and the Company may accept the surrender of Warrants at any time but:
- 8.1.1 such purchases shall be made in accordance with the rules of any stock exchange or trading platform on which the Warrants are listed or traded; and
- 8.1.2 if such purchases are by tender, such tender will be available to all Warrantholders alike.
- 8.2 All Warrants purchased or surrendered pursuant to paragraph 8.1 shall forthwith be cancelled and shall not be available for reissue or resale.

9. GOVERNING LAW AND JURISDICTION

The provisions of the Warrant Instrument and the Warrants shall be subject to and governed by English law and each of the parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Warrant Instrument.

PART VI
ADDITIONAL INFORMATION**1. Incorporation and status of the Company**

- 1.1 The Company was incorporated and registered in England and Wales under the Companies Act on 17 October 2011 as a private company limited by shares with registered number 7812686 and the name De Facto 1922 Limited. On 7 March 2012, the Company changed its name to Arria NLG Limited. On 7 November 2013 the Company re-registered as a public limited company and changed its name to Arria NLG plc.
- 1.2 The principal legislation under which the Company operates is (and the Ordinary Shares and the Warrants have been created under) the Companies Act and the regulations made thereunder.
- 1.3 The registered office of the Company is at Space One, 1 Beadon Road, Hammersmith, London W6 0EA.
- 1.4 The liability of the members of the Company is limited.
- 1.5 The address of the Company's website, which discloses the information required by Rule 26 of the AIM Rules, is www.arria.com.

2. Share and loan capital of the Company

- 2.1 The Company was incorporated on 17 October 2011 with two ordinary shares of £1.00 each.
- 2.2 The Company subdivided the two ordinary shares of £1.00 into 2,000 Ordinary Shares of £0.001 each.
- 2.3 The Company subsequently allotted in total 35,782,852 additional Ordinary Shares as follows:
 - 2.3.1 33,082,852 Ordinary Shares were allotted to the Co-Founders, directors and their associated persons at a nominal value of £0.001 between 30 March 2012 and 14 June 2012;
 - 2.3.2 200,000 Ordinary Shares to David Freeman at a nominal value of £0.001 each on 14 June 2012;
 - 2.3.3 1,000,000 Ordinary Shares to Gerald Andrew McDouall at a nominal value of £0.001 each on 30 November 2012;
 - 2.3.4 500,000 Ordinary Shares to Ian Donald Cormack at a nominal value of £0.001 each on 15 February 2013;
 - 2.3.5 500,000 Ordinary Shares to James Harold Odgen at a nominal value of £0.001 each on 15 February 2013;
 - 2.3.6 250,000 Ordinary Shares to Wayne Thornhill at a nominal value of £0.001 each on 17 May 2013; and
 - 2.3.7 250,000 Ordinary Shares to Steve Wright at a nominal value of £0.001 each on 17 May 2013.

The Company has received irrevocable subscriptions to subscribe for, in aggregate, 6,418,750 Ordinary Shares (together with 6,418,750 Warrants) pursuant to the Subscriptions.

- 2.4 The Company has allotted 27,038,487 A Preference Shares as follows:
 - 2.4.1 1,080,000 A Preference Shares were allotted between 20 July 2012 and 3 August 2012 (at the direction of the NZ Family Trust, Brian Henry and Christopher Hardy) as follows: 640,000 A Preference Shares to the NZ Family Trust; 320,000 A Preference Shares to Brian Henry and Kiri Borg (jointly); 30,000 A Preference Shares to Christopher Hardy; 30,000 A Preference Shares to Debbie Hardy; and 60,000 A Preference Shares to James Robert Hardy and Christopher Hardy (jointly). In each case, the A Preference Shares were allotted pursuant to the 2012 Placing and for the consideration of US\$1.00 each by way of capitalisation of loan notes previously issued by the Company to The NZ Family Trust and Christopher Hardy (see paragraph 2.8 of this Part VI) and monies previously advanced and expenses incurred on behalf of the Company by The NZ Family Trust and Brian Henry;

- 2.4.2 16,621,734 A Preference Shares were allotted to several investors on 30 September 2012 for the consideration of US\$1.00 per A Preference Share pursuant to the 2012 Placing;
 - 2.4.3 1,510,100 A Preference Shares were allotted to several investors on 30 October 2012 for the consideration of US\$1.00 per A Preference Share pursuant to the 2012 Placing;
 - 2.4.4 220,000 A Preference Shares were allotted to several investors on 30 November 2012 for the consideration of US\$1.00 per A Preference Share pursuant to the 2012 Placing;
 - 2.4.5 355,796 A Preference Shares were allotted to several investors on 20 December 2012 for the consideration of US\$1.00 per A Preference Share pursuant to the 2012 Placing;
 - 2.4.6 212,370 A Preference Shares were allotted to several investors on 11 January 2013 for the consideration of US\$1.00 per A Preference Share pursuant to the 2012 Placing;
 - 2.4.7 2,240,000 A Preference Shares were allotted to several investors on 30 July 2013, for the consideration of US\$1.25 per A Preference Share pursuant to the First 2013 Placing;
 - 2.4.8 565,000 A Preference Shares were allotted to several investors on 30 August 2013, for the consideration of US\$1.25 per A Preference Share pursuant to the First 2013 Placing;
 - 2.4.9 800,000 A Preference Shares were allotted to Gerald Henry on 31 August 2013, for the consideration of US\$1.25 per A Preference Share pursuant to the First 2013 Placing; and
 - 2.4.10 3,433,487 A Preference Shares were allotted to several investors between 30 September 2013 and 12 November 2013, for the consideration of US\$1.60 per A Preference Share pursuant to the Second 2013 Placing. The Company issued the corresponding 3,433,487 Warrants to those same several investors on 27 November 2013.
- 2.5 The Company allotted 5,077,573 B Preference Shares to Gerald Henry on 28 September 2012 in consideration for the Company's acquisition of the entire issued share capital of SQI3 Solutions Limited (further details are set out at paragraph 13.12 of this Part VI). In connection with the acquisition of SQI3 Solutions Limited, the Company valued each B Preference Share at US\$1.00.
- 2.6 The Company allotted 2,538,787 B Preference Shares to Sharon Daniels and 2,538,787 B Preference Shares to Robert Craig on 25 October 2013 as consideration for the acquisition of the entire issued share capital of Global IP, Inc.. In connection with the agreement to acquire Global IP, Inc, the Company valued each B Preference Share at US\$1.00.
- 2.7 The Data2Text Acquisition Shares were allotted to the Data2Text Founders on 25 October 2013.
- 2.8 Since incorporation, the Company has issued loan notes (as constituted by the Loan Note Instrument defined at paragraph 13.16 of this Part VI) as follows:
- 2.8.1 on 21 March 2012, in consideration for monies previously advanced and expenses incurred on behalf of the Company by Gerald Henry, the Company issued £195,455 worth of loan notes to Gerald Henry (who is the Company's Global Branding Adviser, see paragraph 7.6.2 of this Part VI). On the same date, in consideration for expenses incurred on behalf of the Company by Arria Design Group Limited, the Company issued £37,830 worth of loan notes to Arria Design Group Limited (a connected party to Gerald Henry);
 - 2.8.2 on 30 March 2012, in consideration for monies previously advanced and expenses incurred on behalf of the Company by Gerald Henry, the Company issued a further £201,824 worth of loan notes to Gerald Henry;
 - 2.8.3 on 14 June 2012, in consideration for monies previously advanced and expenses incurred on behalf of the Company by Brian Henry, £117,000 worth of loan notes were issued by the Company to Brian Henry. On the same date, in consideration for monies previously advanced and expenses incurred on behalf of the Company by Gerald Henry, £205,117 worth of loan notes were issued by the Company to the NZ Family Trust (at the direction of Gerald Henry);
 - 2.8.4 on 17 June 2012, Gerald Henry assigned £208,000 worth of loan notes plus accrued interest to Michael Mayell (a Co-Founder);

- 2.8.5 on 13 July 2012, Gerald Henry assigned £78,000 worth of loan notes plus accrued interest to Christopher Hardy (a Co-Founder);
- 2.8.6 on 14 June 2012, Gerald Henry capitalised £110,269 worth of loan notes (plus accrued interest) into A Preference Shares and redeemed £1,010 worth of loan notes (plus accrued interest) for cash. On that date, Christopher Hardy also capitalised his entire £78,000 worth of loan notes (plus accrued interest) into A Preference Shares (see paragraph 2.4.1 above);
- 2.8.7 on 6 September 2012, £37,830 worth of loan notes (plus accrued interest) held by the Arria Design Group Limited were redeemed by the Company for cash;
- 2.8.8 between 14 August 2012 and 24 September 2012, it was resolved that the £205,117 worth of loan notes (plus accrued interest) held by The NZ Family Trust be redeemed by the Company for cash (such monies being paid, at the direction of The NZ Family Trust, to Gerald Henry); and
- the current outstanding loan notes are £117,000 of loan notes (plus accrued interest) held by Brian Henry and £208,000 of loan notes (plus accrued interest) assigned to Michael Mayell by Gerald Henry.
- 2.10 On 26 June 2013, the Company granted the Current Executive Options over 650,000 Ordinary Shares (in aggregate) to Wayne Thornhill and Tony Edwards (350,000 and 300,000 Ordinary Shares, respectively). Wayne Thornhill's option vested immediately upon grant. Tony Edwards' option vests as to one third of the Ordinary Shares subject to the option (100,000 shares) on the first, second and third anniversaries of grant. All of the Current Executive Options may be exercised at any time between the date of vesting and the eighth anniversary of the date of grant. The Current Executive Options are non-transferable and are subject to an exercise price of US\$1.00 per Ordinary Share.
- 2.11 In addition to the Current Executive Options, the Company granted the Current Employee Options over 840,000 Ordinary Shares (in aggregate) to 23 employees of the Company and Data2Text between 7 April 2013 and 28 November 2013. 825,000 of the Current Employee Options are subject to an exercise price of US\$1.00 per Ordinary Share with an exercise period of seven years commencing on the first anniversary of the date of grant. Those 825,000 Current Employee Options may be exercised prior to the first anniversary of the date of grant if the option holder ceases to hold office or employment with any member of the Group as a "good leaver". The remaining 15,000 Current Employee Options are subject to an exercise price of US\$1.60 per Ordinary Share with an exercise period of seven and a half years commencing six months after the date of grant.
- 2.12 On 19 and 27 November 2013 the Board resolved (pursuant to the authority conferred upon them by article 6.1 of the Current Articles) that:
- 2.12.1 immediately prior to Admission each A Preference Share and B Preference Share be redesignated as one Ordinary Share;
- 2.12.2 immediately prior to Admission the Data2Text Acquisition Shares be redesignated as 23,165,488 Ordinary Shares and 21,834,512 Deferred Shares; and
- 2.12.3 the Deferred Shares be bought back and cancelled for an aggregate consideration of one penny pursuant to an off-market share purchase agreement which has received shareholder approval.
- 2.13 On 23 October 2013, the Shareholders of the Company passed resolutions including, *inter alia*, that conditional on Admission:
- 2.13.1 for the purposes of section 551 Companies Act (and so that expressions used in this paragraph 2.13.1 shall bear the same meanings as in the said section 551):
- the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) Companies Act 2006 respectively up to a maximum nominal amount of £34,250, unless such amount is in excess of one-third of the issued share capital of the Company at Admission in which case the maximum nominal amount shall be an amount equal to one-third of the issued share capital of the Company at Admission, to such persons and at such times and on such terms as they think proper during the period expiring at the earlier of 1 April 2015 or the conclusion of the next annual

general meeting of the Company (unless previously revoked or varied by the Company in general meeting); and further

- the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to an aggregate nominal amount of £34,250, unless such amount is in excess of one-third of the issued share capital of the Company at Admission in which case the maximum nominal amount shall be an amount equal to one-third of the issued share capital of the Company at Admission, during the period expiring at the earlier of 1 April 2015 or the conclusion of the next annual general meeting of the Company subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory;

2.13.2 the Directors be and are empowered in accordance with section 570 Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash, as if section 561(1) and sub-sections (1) – (6) of section 562 of the Companies Act did not apply to any such allotment, provided that the power shall be limited to:

- the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
- the allotment (otherwise than pursuant to the immediately preceding bullet) of equity securities up to an aggregate nominal value not exceeding £10,500, unless such amount is in excess of 10 per cent. of the issued share capital of the Company at Admission in which case the maximum nominal amount shall be an amount equal to 10 per cent. of the issued share capital of the Company at Admission,

and this power, unless renewed, shall expire at the earlier of 1 April 2015 or the conclusion of the next annual general meeting of the Company.

2.13.3 the Company (and any of its subsidiaries) be and are authorised to, for the purposes of Part 14 of the Companies Act:

- make political donations to any political party, political organisation or independent election candidate not exceeding £100,000 in total; and
- incur political expenditure not exceeding £100,000 in total,

during the period beginning with 23 October 2013 and ending at the earlier of 1 April 2015 or the conclusion of the next annual general meeting of the Company.

2.13.4 the Company be and are generally and unconditionally authorised for the purpose of section 701 Companies Act to make market purchases (as defined in section 693 of the said Company Act 2006) of Ordinary Shares provided that:

- the maximum number of Ordinary Shares hereby be purchased is 10,500,000 unless such amount is in excess of 10 per cent. of the issued share capital of the Company at Admission in which case the maximum number of shares shall be a number equal to 10 per cent. of the issued share capital of the Company at Admission,
- the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is the nominal amount thereof;

- the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares shall be an amount equal to the higher of (i) 5 per cent. above the average of the middle market quotations for such shares taken from AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an Ordinary Share as derived from the trading venue where the purchase is carried out;
- the authority shall (unless previously renewed or revoked) expire on the earlier of 1 April 2015 or the conclusion of the next annual general meeting of the Company; and
- the Company may make a contract to purchase its own Ordinary Shares under the authority prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of its own Ordinary Shares in pursuance of any such contract.

2.14 In keeping with the Companies Act, the Articles do not place any limit on the number of shares which the Company may issue.

2.15 The issued share capital of the Company as at the date of this document is £117,978.486, comprising of 35,784,852 Ordinary Shares, 27,038,487 A Preference Shares, 10,155,147 B Preference Shares and 45,000,000 B Ordinary Shares (all of which are fully paid or credited as fully paid). At Admission (and following the issue of the Admission Subscription Shares and the redesignations referred to in paragraph 2.12 above and the buy back and cancellation of the Deferred Shares), the issued share capital of the Company is expected to be £102,281.474, comprising of 102,281,474 Ordinary Shares. The Company also has, as at the date of this document, 3,433,487 Warrants in issue (in addition to the Current Executive Options and Current Employee Options). A further 6,137,500 Warrants will be issued on Admission in connection with the Admission Subscription Warrants.

2.16 With effect immediately upon Admission, 6,137,500 new Ordinary Shares and 6,137,500 Warrants will be allotted pursuant to the Admission Subscriptions for the Admission Subscription Shares and the Admission Subscription Warrants, for an aggregate subscription price of US\$9,820,000. In addition, the Company has accepted a conditional subscription for 281,250 Ordinary Shares (and corresponding 281,250 Warrants) pursuant to the Post-Admission Subscription, for an aggregate subscription price of US\$450,000.

2.17 Share capital reconciliation:

	<i>At 31 March 2012</i>	<i>At 31 March 2013</i>
Ordinary Shares	24,587,611	34,748,852
A Preference Shares	0	20,000,000
B Preference Shares	0	5,077,573

2.18 The Company's issued share capital as at the date of this document and, as it is expected to be, at Admission are as set out below¹:

	<i>Number of Ordinary Shares</i>		<i>Number of A Preference Shares</i>		<i>Number of B Preference Shares</i>		<i>Number of B Ordinary Shares</i>	
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	
At the date of this document	35,784,852	£35,784.85	27,038,487	£27,038.49	10,155,147	£10,155.15	45,000,000	£45,000
At Admission	102,281,474	£102,281.47	-	-	-	-	-	-

¹ This table assumes that the 21,834,512 Deferred Shares arising on the redesignation of the B Ordinary Shares have been bought back by the Company and cancelled.

2.19 Applications will be made for the Ordinary Shares and the Warrants to be admitted to trading on AIM. Neither the Ordinary Shares nor the Warrants are currently listed or traded on any other stock exchange or securities market, and no application has been or is being made for the admission of, the Ordinary Shares or Warrants to listing or trading on any other stock exchange or securities market.

- 2.20 With effect from Admission, all of the Ordinary Shares and Warrants will be in registered form and, subject to the Ordinary Shares and Warrants being admitted to, and accordingly enabled for, settlement in CREST, the Ordinary Shares and Warrants will be capable of being held in certificated or uncertificated form. No temporary documents of title will be issued.
- 2.21 6,137,500 Ordinary Shares will be issued pursuant to the Admission Subscriptions at a price of US\$1.60 per Ordinary Share, which represents a premium of approximately £0.999 each over their nominal value of £0.001 each. 6,137,500 Warrants will be issued pursuant to the Admission Subscriptions for nil consideration. No expenses are being charged by the Company to any subscriber.
- 2.22 Save in connection with the Post-Admission Subscription, the Warrants, the Current Executive Options, the Current Employee Options and additional long-term incentive plan (more details of which can be found in paragraph 6.2 of this Part VI), there is no present intention to issue any share or loan capital in the Company.
- 2.23 Save as set out in this document, no shares in the capital of the Company are under option or have been agreed, conditionally or unconditionally, to be put under option.

3. Subsidiaries

The Company has the following subsidiaries, subsidiary undertakings and other undertakings in which it has an interest held on a long-term basis:

SQM3 Limited

Nature of business:	Operating entity for retail analytics projects
Registered office/country of incorporation:	Space One, 1 Beadon Road, Hammersmith, London W6 0EA England
Proportion of share capital held:	100 per cent.
Issued and fully paid share capital:	Two shares of £1 each

SQI3 Solutions Limited

Nature of business:	Holding company for the Group's SQM3 technologies and patent applications
Registered office/country of incorporation:	Space One, 1 Beadon Road, Hammersmith, London W6 0EA England
Proportion of share capital held:	100 per cent.
Issued and fully paid share capital:	100 shares of £0.01 each

Data2Text Limited

Nature of business:	Software development company focused on NLG innovations
Registered office/country of incorporation:	Johnstone House, 52-54 Rose Street, Aberdeen AB10 1HA Scotland
Proportion of share capital held:	100 per cent.
Issued and fully paid share capital:	125 shares of £1 each

Global IP, Inc.

Nature of business:	Holding company for IP Development
Registered office/country of incorporation:	Nevada, USA c/o Registered Agents Legal Services, Ltd. 112 North Curry Street Carson City, NV 89703
Proportion of share capital held:	100 per cent.
Issued and fully paid share capital:	1,000

IP Development, Inc.

Nature of business:	Holder of exclusive US license rights to SQM3 technologies
Registered office/country of incorporation:	Nevada, USA c/o Registered Agents Legal Services, Ltd. 112 North Curry Street Carson City, NV 89703
Proportion of share capital held:	100 per cent.
Issued and fully paid share capital:	1,000

Arria NLG BV

Nature of business:	Incorporated to employ a Dutch employee
Registered office:	Space One, 1 Beadon Road, Hammersmith, London W6 0EA England
Country of incorporation:	Netherlands
Proportion of share capital held:	100 per cent.
Issued and fully paid share capital:	One share of €1

4. Principal establishments

4.1 The Company's head office and principal place of business is at Space One, 1 Beadon Road, Hammersmith, London W6 0EA, United Kingdom.

4.2 The principal establishments of the Group are as follows:

The Company

Location:	Space One, 1 Beadon Road, Hammersmith, London W6 0EA
Tenure:	5 years
Lease expiry date:	25 July 2017

Data2Text

Location:	G05 Meston Building, University of Aberdeen, King's College, Regents Walk, Aberdeen AB24 3FX
Tenure:	2 years
Lease expiry date:	31 July 2015

5. Articles of association

The Articles contain provisions, *inter alia*, to the following effect:

5.1 Voting rights

- 5.1.1 Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held pursuant to the Articles or otherwise and any restriction on voting referred to below, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy (regardless of the number of members for whom he is proxy) shall have one vote on a show of hands. Subject to the provisions of the Articles on a poll, every Shareholder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.
- 5.1.2 The duly authorised representative of a corporate Shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual shareholder.
- 5.1.3 A Shareholder is not entitled to vote unless all calls due from him have been paid.

- 5.1.4 A Shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Companies Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice), is served with a disenfranchisement notice. Such disenfranchisement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

5.2 **Deferred Shares**

- 5.2.1 The Deferred Shares shall confer no right to participate in the profits of the Company.
- 5.2.2 The holders of the Deferred Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.
- 5.2.3 On a return of capital on any winding-up or liquidation of the Company, there shall be paid to the holders of the Deferred Shares the nominal capital paid up, or credited as paid up, on such Deferred Shares after paying to the holders of all other classes of shares in the capital of the Company the nominal capital paid up or credited as paid up on such shares held by them respectively, together with the sum of £100,000,000 on each such share. The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.
- 5.2.4 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and on such creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.
- 5.2.5 Any reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (in accordance with the Statutes) without obtaining the consent of the holders of the Deferred Shares.
- 5.2.6 The Deferred Shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred Shares shall not be transferable except in accordance with paragraph 5.2.7 below or with the written consent of the directors of the Company.
- 5.2.7 The Company may at any time (and from time to time) (subject to the provisions of the Statutes) without obtaining the sanction of the holder or holders of the Deferred Shares:
- 5.2.7.1 appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the directors of the Company may determine (whether or not an officer of the Company), in any case for not more than the aggregate amount of one penny for all the Deferred Shares then being transferred; and
- 5.2.7.2 cancel all or any of the Deferred Shares purchased or acquired by the Company in accordance with the Companies Act 2006 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company (including, without limitation, the Electronic Communications Act).

5.3 **General meetings**

- 5.3.1 The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

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- 5.3.2 At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 days' written notice must be given. The notice for any general meeting must state: (i) whether the meeting is an annual general meeting; (ii) the date, time and place of the meeting; (iii) the general nature of the business of the meeting and (iv) any intention to propose a resolution as a special resolution. All members who are entitled to receive notice under the Articles must be given notice.
- 5.3.3 Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.
- 5.3.4 Each Director can attend and speak at any general meeting.

5.4 **Dividends**

- 5.4.1 Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.
- 5.4.2 Subject to the Companies Act, the Board may from time to time pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.
- 5.4.3 Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.
- 5.4.4 The Board may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.
- 5.4.5 The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class after there has been a failure to comply with any notice under section 793 of the Companies Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 5.1 above.

5.5 **Return of capital**

- 5.5.1 On a voluntary winding-up of the Company the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act and the Insolvency Act 1986 (as amended), divide amongst the shareholders of the Company in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

5.6 **Transfer of shares**

- 5.6.1 The Ordinary Shares are in registered form.
- 5.6.2 The Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as "**Participating Securities**". Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate ("**Certificated Shares**") the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

- 5.6.3 The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.
- 5.6.4 The Board may, in its absolute discretion and without assigning any reason therefore, refuse to register any instrument of transfer of shares, all or any of which are not fully paid.
- 5.6.5 The Board may also refuse to register a transfer unless:
- 5.6.5.1 in the case of a Certificated Share, the duly stamped instrument of transfer (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
 - 5.6.5.2 in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and
 - 5.6.5.3 in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.
- 5.6.6 In the case of Participating Securities, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001 (as amended) allow it to do so, and must do so where such regulations so require.
- 5.6.7 The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph 5.9 below) unless the shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:
- 5.6.7.1 a transfer in connection with a bona fide sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to be interested in the share;
 - 5.6.7.2 a transfer pursuant to the acceptance of an offer made to all the Company's shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or
 - 5.6.7.3 a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

5.7 **Variation of rights**

- 5.7.1 Subject to the Companies Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.
- 5.7.2 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

5.8 **Share capital and changes in capital**

- 5.8.1 Subject to and in accordance with the provisions of the Companies Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued on terms that they are, at the option of the Company or a member liable, to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted).
- 5.8.2 Subject to the provisions of the Articles and the Companies Act, the power of the Company to offer, allot and issue any new shares in the Company and any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.
- 5.8.3 The Company may by ordinary resolution alter its share capital in accordance with the Companies Act. The resolution may determine that, as between the holders of shares resulting from the sub-division, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

5.9 **Disclosure of interests in shares**

- 5.9.1 Section 793 of the Companies Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a “disenfranchisement notice”). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders’ meeting or to exercise any other right in relation to shareholders’ meetings.
- 5.9.2 Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.
- 5.9.3 The Articles do not restrict in any way the provisions of section 793 of the Companies Act.

5.10 **Non-UK shareholders**

- 5.10.1 Shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

5.11 **Untraced shareholders**

- 5.11.1 Subject to various notice requirements, the Company may sell any of a shareholder’s shares in the Company if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and the Company has received no communication from such shareholder.

5.12 **Borrowing powers**

- 5.12.1 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party provided that the Board shall restrict the borrowings of the Company, and exercise all powers of control exercisable by the Company in relation to its subsidiaries, so as to secure (in relation to its subsidiaries so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Group (excluding any money owed between members of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 3.5 times the adjusted capital and reserves of the Company.

- 5.12.2 These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

5.13 **Directors**

- 5.13.1 Subject to the Companies Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.
- 5.13.2 The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.
- 5.13.3 Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- 5.13.4 A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
- 5.13.4.1 the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
 - 5.13.4.2 the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;
 - 5.13.4.3 any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;
 - 5.13.4.4 any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any corporate third party 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 in all circumstances);
 - 5.13.4.5 any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and
 - 5.13.4.6 any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of the Directors or for persons who include Directors, provided that for that purpose "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

- 5.13.5 The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees of all Directors (which for avoidance of doubt, shall not include any payment under a service contract) shall not exceed £400,000 per annum. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.
- 5.13.6 The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.
- 5.13.7 The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the Companies Act. Subject to sections 205(2) to (4) of the Companies Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority and indemnify a Director in connection with the Company's activities as a trustee of a pension scheme.
- 5.13.8 The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually.
- 5.13.9 There is no age limit for Directors.
- 5.13.10 Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than 2 nor more than 10 in number.

5.14 **Redemption**

- 5.14.1 The Ordinary Shares are not redeemable.

5.15 **Electronic communication**

- 5.15.1 The Company may communicate electronically with its members in accordance with the provisions of the Electronic Communications Act 2000.

6. Share incentive arrangements

6.1 Current Employee Options and Current Executive Options

The Company has issued, in aggregate, 1,490,000 Options pursuant to the Current Executive Options and Current Employee Options (further details of which can be found at paragraphs 2.10 and 2.11 of this Part VI).

6.2 Long-term incentive plan

The Company has established, conditional upon Admission, a long-term incentive plan (the "**Plan**") that is in three parts. Part A provides for the grant of share-based awards to employees and executive directors who are not US taxpayers. Part B provides for the grant of awards to non-employees such as consultants, contractors or non-executive directors and Part C provides for the grant of awards to US resident taxpayers.

Part A

(a) **Eligibility**

All employees, including executive directors, are eligible to participate in the Plan at the discretion of the Remuneration Committee. However, it is initially intended that 10 key senior managers and executives will initially be selected to participate in January 2014. Ultimate decisions on participation will be made by the Remuneration Committee and will be subject to individual performance and contribution. Participation will at all times remain discretionary.

(b) **Grant of awards**

(i) **Restricted Stock Unit Awards**

The Plan provides for the grant of rights to acquire Ordinary Shares, as Restricted Stock Unit Awards (“**RSUs**”). RSUs may be structured as options or conditional rights to acquire Ordinary Shares.

The price at which a participant may acquire Ordinary Shares on the exercise or vesting of an RSU under the Plan shall be determined by the Remuneration Committee on the date of grant and may, if the Remuneration Committee sees fit, be equal to the nil or nominal value of a Share.

RSU grants will be made yearly in 2014, 2015 and 2016. Initial grants are expected to be made in January 2014. Each RSU will vest over three years such that the Plan will have an overall anticipated life which is aligned with the Company's six year business plan.

(ii) **Co-Investment Awards**

For those employees who are not awarded RSUs, the Plan also provides for the grant of “Co-Investment Awards” whereby employees will be invited by the Remuneration Committee (in its absolute discretion) to use some or all of their net annual bonus (after the deduction of payroll tax and social security charges) in return for which they will be awarded Ordinary Shares (“**Bonus Shares**”). On acquisition of the Bonus Shares, the individual will be granted a Co-Investment Award representing a right to receive a number of “Matching Shares” matching their investment to a determined ratio. This ratio is envisaged to operate on one-for-one basis initially; however, this ratio will be set annually above or below this level at the discretion of the Remuneration Committee.

The Bonus Shares must be held for the duration of a Holding Period for the Co-Investment Award to vest. The Remuneration Committee will determine at the date of grant whether the Bonus Shares will be held directly by the participant or by a nominee on their behalf.

The plan will be operated and administered via a third party international trust provider who will also act as trustee of the EBT (as defined below).

Awards may be granted during the period of (i) 42 days following Admission, (ii) 42 days following the announcement of the Company's final or interim results for any financial period, (iii) within 42 days following the occurrence of an event which the Remuneration Committee considers to be exceptional, (iv) within 42 days following any changes to legislation affecting share plans, or (v) within 42 days of an eligible employee commencing employment with the Group. If any of the above periods is a 'close period' as a result of the application of the AIM Rules then options may be granted within 42 days of the end of the close period. No awards may be granted more than 10 years after the adoption of the Plan.

Awards may also be granted on terms that the participant pays any related employer's social security liability (or similar liability and to the extent permitted by law) arising in connection with the award.

Awards may be granted over newly issued Ordinary Shares, treasury shares or Ordinary Shares purchased in the market.

Except to the extent required by foreign laws, awards will not form part of a participant's pensionable earnings. Awards are not transferable (other than on death) without the consent of the Remuneration Committee. No payment will be required for the grant of an award.

(c) **Vesting of awards**

(i) **RSUs**

The Remuneration Committee will determine how RSUs will vest at the date of grant. Ordinarily, RSUs will vest over a three year vesting period subject to: (i) the participant remaining an employee or officer of a group company, and (ii) the satisfaction of a performance target measured over a three year performance period.

Initial RSU grants (expected in January 2014) will be subject to a yearly share price appreciation performance target for each year of the three year performance period. If the target is met one third of the RSU will vest.

The Remuneration Committee will have discretion to approve full or partial vesting in the event of missed targets and to allow "missed" vesting in years one and two to be caught up in a subsequent year.

(ii) **Co-Investment Awards**

Co-Investment Awards will not be subject to a performance condition and will vest only over a holding period of two years, unless the Remuneration Committee determines otherwise.

For all types of awards, the Remuneration Committee will specify on the relevant date of grant whether participants will be entitled to receive additional Ordinary Shares representing the value of dividends declared during the vesting period on the number of Ordinary Shares which have vested subject to the participant's award.

(d) **Scheme Limits**

The number of Ordinary Shares over which (or in respect of which) awards may be granted on any date shall be limited so that the total number of Ordinary Shares issued and issuable in respect of awards granted under the Plan in 2013, 2014 and 2015 is restricted to ten per cent. of the Company's issued share capital. The 2014 awards will account for 40% of the available Ordinary Shares subject to this limit, with the remaining Ordinary Shares available being subject to awards granted in 2015 and 2016.

For the purposes of this limit no account will be taken of awards granted on or before Admission and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Treasury shares will be treated as newly issued Ordinary Shares for the purposes of this limit, but (for the avoidance of doubt) Ordinary Shares acquired in the market will not.

(e) **Manner of exercise/allotment**

Within 30 days of vesting and/or the receipt of a notice of exercise of an award, together with a payment (or arrangements to pay) for the aggregate exercise price due (if any) and a payment (or arrangements to pay) for any income tax and employee and, if applicable, employer social security contributions (or similar liabilities) due, the Ordinary Shares in respect of which the award has vested or been exercised must be issued by the Company or the Company must procure their transfer (which for the purposes of the Plan includes the transfer of Ordinary Shares out of treasury) to the participant and shall issue a definitive certificate in respect of the Ordinary Shares allotted or transferred. Ordinary Shares issued or transferred by the Company on the exercise and/or vesting of awards will rank pari passu with existing Ordinary Shares.

(f) **Termination of Employment**

Vested awards may be retained following cessation of employment.

Unvested awards will normally lapse on cessation of employment. However, if a participant is a 'good leaver' i.e. if he dies or leaves employment through illness, injury or disability, or because his employing company or business is sold out of the Company's group or for any other compassionate reason determined by the Remuneration Committee (in its absolute discretion), then the Remuneration Committee may permit that participant (or his personal representatives as the case may be) to retain the unvested award and permit vesting/exercise subject to the satisfaction of the performance conditions and a pro-rata reduction for the time that has elapsed since the relevant date of cessation.

Alternatively, the Remuneration Committee may, in its discretion, permit unvested awards held by 'good leavers' to immediately vest and/or be exercised following cessation, having regard to the achievement of the performance conditions and the period of time that has passed since the relevant date of grant.

If a participant ceases employment in any circumstances other than the 'good leaver' circumstances referred to above then ordinarily all unvested awards (vested and unvested) will lapse on such cessation, unless the Remuneration Committee exercises its discretion otherwise to permit some or all of the unvested award to vesting or be exercised on an alternative basis.

(g) ***Change of Control***

If a change of control event occurs, such as a takeover, or other capital event, then the Remuneration Committee will determine, in its absolute discretion, whether and to what extent subsisting unvested RSUs shall vest and, in the case of options, become exercisable, but taking into account all relevant factors and circumstances it deems appropriate including, but not limited to, the performance of the Company (where applicable), the period of time which has elapsed since the relevant date of grant and the interests of the Company's shareholders.

(h) ***Variation of Share Capital***

In the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction or other variation of the Company's capital, the number of Ordinary Shares subject to an award and/or the exercise price (if any) may be adjusted in such manner as the Remuneration Committee shall, in its opinion, consider fair and reasonable.

(i) ***Amendments and General***

No rights under awards may be transferred by a participant to any other person except in the event of a participant's death when rights will be transferred to the participant's personal representative(s).

The Plan may be amended by the Board in any way provided that:

- (i) no amendment, addition or deletion may be made to the Plan which would materially prejudice the interests of participants in relation to awards already granted to them unless the sanction of at least 75 per cent. of the participants (by value of subsisting awards) has been obtained; and
- (ii) all amendments to the advantage of participants to the provisions relating to the definition of eligible employee, limits on the number of Ordinary Shares subject to the Plan, the maximum entitlement for any one participant or the basis for determining a participant's entitlement to and the terms of Ordinary Shares to be provided and adjustment thereof, if any, in the event of a capitalisation issue, rights issue, subdivision or consolidation of Ordinary Shares or reduction of capital or any other variation of capital will require the prior consent of the Company in general meeting unless they are minor amendments to benefit the administration of the scheme or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or a member of the group.

The Board may amend the Plan by way of separate schedules to enable it to be operated overseas, provided that the terms of the separate schedules are not overall more favourable than the terms of the Plan.

Part B

Part B of the Plan provides for grants on identical terms to those in Part A except that awards may only be granted to non-employees such as consultants, contractors or non-executive directors.

Part C

Part C of the Plan provides for the grant of awards to US resident taxpayers (whether incorporating the terms of Part A for employees and executive directors or Part B for awards to non-employees).

6.3 Employee benefit trust

In order to facilitate the Plan (as set out in paragraph 6.2), the Company expects to establish an employee benefit trust following Admission (the “**EBT**”) on the following terms:

(a) Constitution

The EBT will be a discretionary trust constituted by a trust deed between the Company and an independent off-shore professional trustee company (the “**Trustees**”). The EBT will be constituted as an employees’ share scheme within the meaning of section 1166 of the Companies Act 2006, with the purpose of encouraging and facilitating the holding of shares by bona fide employees of the Company (which, for these purposes includes executive directors) and its subsidiaries, former employees and certain of their relatives or for their benefit.

(b) Power and Funding

The Trustees will have full discretion with regard to the application of the trust fund.

The Trustees will have the power to acquire Ordinary Shares and any Ordinary Shares so acquired may be used for the purposes of the grant of awards under the Plan.

The EBT may be funded by way of loan or gift to acquire Ordinary Shares either by market purchase or by subscription.

(c) Limits to Holdings and Dividend Waiver

Any shares issued to the EBT in order to satisfy awards it has granted will be treated as counting towards the dilution limits that apply to the Plan. For the avoidance of doubt, any Ordinary Shares acquired by the EBT in the market in order to satisfy awards will not count towards these limits. Unless directed otherwise, the Trustees will waive any dividends paid on the Ordinary Shares settled in the EBT.

7. Information on the Directors

7.1 The names, business addresses and functions of the Directors are as follows:

<i>Name</i>	<i>Business address</i>	<i>Function</i>
Stuart Whitney Rogers	Space One, 1 Beadon Road, Hammersmith, London W6 0EA	Chairman and Chief Executive Officer
Simon Francis Small	Space One, 1 Beadon Road, Hammersmith, London W6 0EA	President
Sharon Kay Daniels	Space One, 1 Beadon Road, Hammersmith, London W6 0EA	Chief Marketing Officer
Wayne Thornhill	Space One, 1 Beadon Road, Hammersmith, London W6 0EA	Chief Financial Officer
Michael James Higgins	Space One, 1 Beadon Road, Hammersmith, London W6 0EA	Non-executive director
Paul Damian Kidney	Space One, 1 Beadon Road, Hammersmith, London W6 0EA	Non-executive director

7.2 In addition to any directorship of a member of the Group, the Directors hold, or have held, the following directorships, or have been partners in the following partnerships, within the five years prior to the date of this document:

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Stuart Whitney Rogers		Bennett Group of Funds Bennett Group Master Funds
Simon Francis Small	W4 Investment Limited Gleam Technologies Limited	Gleam Interactive Limited European Broadbooks Licensing Limited EBL Nominees Limited String Limited
Sharon Kay Daniels	Generation Pharmacy Group, LLC Strategic Brand Consulting, LLC	Diligent Board Member Services, Inc.
Wayne Thornhill	Jowaka Limited Anchor Mews Management Company Limited The Gaming Collective Limited	Chowzter Limited Momusic Publishing Limited Puzzling Limited Mofilm USA Inc
Michael James Higgins	Ebiquity plc The Quoted Companies Alliance Plant Health Care plc Plant Health Care (UK) Limited	Bronze Health Community Interest Company Brown Health Community Interest Company Carnation Health Community Interest Company Cerise Health Community Interest Company Charcoal Health Community Interest Company Chestnut Health Community Interest Company Cobalt Health Community Interest Company Crimson Health Community Interest Company Ecru Health Community Interest Company Fuchsia Health Community Interest Company Grey Health Community Interest Company Holly Health Community Interest Company Indigo Health Community Interest Company Ivory Health Community Interest Company Copper Health Community Interest Company Coral Health Community Interest Company Jade Health Community Interest Company Lavender Health Community Interest Company Lemon Health Community Interest Company

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Michael James Higgins (cont)		Lime Health Community Interest Company Magenta Health Community Interest Company Maroon Health Community Interest Company Olive Health Community Interest Company Orchid Health Community Interest Company Pearl Health Community Interest Company People's Health Trust Pine Health Community Interest Company Purple Health Community Interest Company Sienna Health Community Interest Company Teal Health Community Interest Company Violet Health Community Interest Company Yellow Health Community Interest Company
Paul Damian Kidney	Vertical Festival Payments Ltd Global Utility Payments Ltd Tapastreet Ltd Electronic Transactions Ltd Premium Property Services Ltd Eason Electronic International Ltd	Eason Electronic Pty Eason Electricity Pty Simchronise Ltd My Energy Audit Ltd Leitrim Quay Two Ltd Pondent Ltd Brackenwave Developments Ltd Leitrim Quay Ltd

- 7.3 Save as set out in paragraph 7.2 above and 8.8 and 8.9 below, none of the Directors have any business interests or activities outside the Group which are significant with respect to the Group.
- 7.4 Save as disclosed in paragraph 7.5 below, none of the Directors:
- 7.4.1 has any unspent convictions in relation to indictable offences;
 - 7.4.2 has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets;
 - 7.4.3 has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of any company or had an administrator or an administrative or other receiver appointed;
 - 7.4.4 has been a partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;
 - 7.4.5 has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; or

7.4.6 has received any public criticisms by statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

7.5 Administrations, liquidations and strike-offs:

7.5.1 Wayne Thornhill was a director of the following dissolved companies until his resignation from the relevant company. These companies were put into administration within 12 months of Wayne Thornhill's resignation as a director, albeit that some were eventually dissolved after that 12 month period. The filing history of these companies at the Registrar of Companies in England and Wales is incomplete as they do not record Wayne Thornhill's resignation as a director prior to their dissolution:

<i>Name of Company</i>	<i>Date of Dissolution</i>	<i>Date of Resignation</i>
BCCL Realisations Limited	19 March 2010	14 May 2007
Burgundy Global Limited	18 March 2010	14 May 2007
Executive Travel (North East) Limited	19 August 2011	14 May 2007
Wirral Executive Cars Limited	2 September 2008	14 May 2007
Burgundy I.T. Limited	2 September 2008	14 May 2007
Safe & Secure Carriage Limited	10 February 2009	14 May 2007
The Chauffeurdrive Company (Europe) Limited	11 August 2009	14 May 2007
Burgundy Accident Management Services Limited	11 August 2009	14 May 2007

On 17 May 2007, BCCL Realisations Limited went into administration and subsequently underwent a creditors voluntary liquidation on 24 January 2008 which resulted in the company being dissolved on 19 March 2010.

On 17 May 2007, Burgundy Global Limited went into administration and subsequently underwent a creditors voluntary liquidation on 24 January 2008 which resulted in the company being dissolved on 18 March 2010.

On 5 November 2008, Executive Travel (North East) Limited went into administration and subsequently underwent a creditors voluntary liquidation on 23 January 2009 which resulted in the company being dissolved on 19 August 2011.

7.5.2 Simon Small is a director of Gleam Technologies Limited which was placed into a solvent members' voluntary liquidation on 12 November 2013. Mr Small was also a director of Gleam Interactive Limited until it was voluntarily struck-off and dissolved on 20 August 2013.

7.6 Additional information regarding employees, consultants and affiliates of the Company:

7.6.1 A founding shareholder of the Company, Brian Henry, was the Company's first chairman. Brian Henry retired from the Company's board of directors in October 2012. As at the date of this document, he holds 5,652,222 Ordinary Shares and 742,470 A Preference Shares, and on Admission will hold 6,394,692 Ordinary Shares (constituting 6.25 per cent. of the Enlarged Share Capital) and 78,125 Warrants.

7.6.2 A founding shareholder of the Company, Gerald Henry, is a branding and marketing consultant to the Company. He is managing partner of the Gerald Henry Global Strategic Partnership and has over 20 years of international experience as a strategic brand consultant. In 2000, Gerald founded Everyman Foundation, Inc. and serves as its Chief Executive Officer. He holds (as at the date of this document) 30,899 Ordinary Shares, 1,315,000 A Preference Shares and 5,077,573 B Preference Shares, and on Admission will hold 6,423,472 Ordinary Shares (constituting 6.28 per cent. of the Enlarged Share Capital) and 515,000 Warrants. Pursuant to the Post-Admission Subscription, Gerald Henry will subscribe for a further 281,250 Ordinary Shares prior to 20 December 2013 at a subscription price of US\$1.60 per Ordinary Share. He will also receive a further 281,250 Warrants at that time as per the terms of the Second 2013 Placing.

- 7.6.3 In 1987, Brian Henry and Gerald Henry were directors and shareholders of Energycorp Limited, a New Zealand listed company that failed following the 1987 stock market crash and subsequently, in 1988, Brian Henry and Gerald Henry filed for personal bankruptcy.
- 7.6.4 In 2003, Brian Henry, Gerald Henry and others co-founded Diligent Partners, LLC, the US company that launched Diligent. Diligent made an initial public offering and was listed and quoted on the NZX Main Board in December 2007. Brian Henry resigned as Diligent's CEO and Gerald Henry's consulting work for Diligent terminated, following media comment that the matters described above in paragraph 7.6.3 of this Part VI, as well as Gerald Henry's 1996 conviction and subsequent prison term in the US for mail and wire fraud, had not been disclosed in Diligent's IPO prospectus. Brian Henry retired from Diligent's board in 2008. Diligent is now one of the 50 largest companies by market capitalisation on the NZX.
- 7.6.5 On 17 June 2013, the Financial Markets Authority in New Zealand filed a civil claim against Brian Henry alleging that he engaged in market manipulation in his personal trading of Diligent shares on six occasions between 14 April and 14 June 2010. The FMA seeks declarations of violation and civil penalties. Brian Henry denies any wrongdoing.
- 7.6.6 Matthew Gould is Chief Strategy Officer of the Company and (as at the date of this document and as expected to remain upon Admission) holds 2,833,333 Ordinary Shares, constituting 2.77 per cent. of the Enlarged Share Capital. In 2007 he was fined US\$600 and court costs for creating a false invoice for US\$2,100 that his business had presented to a customer in 1999.

8. Directors' shareholdings and other interests

- 8.1 The following details the Share Options held by Directors at the date of this document and at Admission:

<i>Director</i>	<i>Number of Share Options</i>	<i>As a percentage of Ordinary Shares in issue at Admission</i>
Stuart Rogers	–	–
Simon Small	–	–
Sharon Daniels	–	–
Wayne Thornhill	350,000*	0.43
Michael James Higgins	–	–
Paul Kidney	–	–

*details of which are set out at paragraph 2.10 of this Part VI

- 8.2 In addition to the options referred to in paragraph 8.1 above, the interests (all of which are or will be beneficial unless otherwise stated) of each Director (including any interest known to that Director or which could with reasonable diligence be ascertained by him of any person connected with a Director within the meaning of sections 252 to 255 of the Companies Act (a "**Connected Person**")) in the share capital of the Company at the date of this document and as they will be at Admission are as follows:

Prior to Admission:

<i>Director</i>	<i>A Preference Shares</i>	<i>% of A Preference Shares</i>	<i>B Preference Shares</i>	<i>% of B Preference Shares</i>	<i>Ordinary Shares</i>	<i>% of Ordinary Shares</i>	<i>B Ordinary Shares</i>	<i>% of B Ordinary Shares</i>	<i>Total shares held assuming conversion to Ordinary Shares at Admission (but excluding the Subscription Shares)</i>	<i>Percentage of shares held assuming conversion to Ordinary Shares at Admission (but excluding the Subscription Shares)</i>
Stuart Rogers	–	0.00%	–	0.00%	1,500,000	4.19%	–	0.00%	1,500,000	1.56%
Simon Small	–	0.00%	–	0.00%	3,750,000	10.48%	–	0.00%	3,750,000	3.90%
Sharon Daniels*	128,125	0.47%	2,538,787	25.00%	1,016,769	2.84%	–	0.00%	3,683,681	3.83%
Wayne Thornhill	–	0.00%	–	0.00%	250,000	0.70%	–	0.00%	250,000	0.26%
Michael Higgins	–	0.00%	–	0.00%	–	0.00%	–	0.00%	–	–
Paul Kidney	31,250	0.12%	–	0.00%	–	0.00%	–	0.00%	31,250	0.03%
Total	159,375	0.59%	2,538,787	25.00%	6,516,769	18.21%	–	0.00%	9,214,951	9.58%

Immediately following Admission:

<i>Director</i>	<i>Percentage of Enlarged</i>		
	<i>Ordinary Shares</i>	<i>Share Capital</i>	<i>Warrants</i>
Stuart Rogers	1,500,000	1.47%	–
Simon Small	3,750,000	3.67%	–
Sharon Daniels*	3,683,681	3.60%	78,125
Wayne Thornhill	250,000	0.24%	–
Michael Higgins	–	–	–
Paul Kidney	31,250	0.03%	31,250
Total	9,214,931	9.01%	109,375

*These shares are registered in the name of Sharon Daniels and Strategic Brand Consulting LLC, a company controlled by Sharon Daniels.

8.3 Save as disclosed in paragraphs 8.1 and 8.2 above, no Director, nor any Connected Person has at the date of this document, or will have at Admission, any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiaries or any related financial product referenced to any share or loan capital of the Company.

8.4 In addition to the interests of Directors disclosed in paragraphs 8.1 and 8.2 above, the Company is aware of the following existing shareholders of the Company who are at the date of this document, or will be at Admission, interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company:

Prior to Admission:

<i>Shareholder name</i>	<i>A Preference Shares</i>	<i>% of A Preference</i>	<i>B Preference Shares</i>	<i>% of B Preference</i>	<i>Ordinary Shares</i>	<i>% of Ordinary Shares</i>	<i>B Ordinary Shares</i>	<i>% of B Ordinary Shares</i>	<i>Total shares held assuming conversion to Ordinary Shares at Admission (but</i>	<i>Percentage shares held assuming conversion to Ordinary Shares at Admission (but</i>
									<i>excluding the Subscription Shares)</i>	<i>excluding the Subscription Shares)</i>
Ian Davy	–	0.00%	–	0.00%	–	0.00%	10,350,000	23.00%	5,328,062	5.54%
Ehud Reiter	–	0.00%	–	0.00%	–	0.00%	10,350,000	23.00%	5,328,062	5.54%
Somayajulu Sripada	–	0.00%	–	0.00%	–	0.00%	10,350,000	23.00%	5,328,062	5.54%
The University Court of the University of Aberdeen	–	0.00%	–	0.00%	–	0.00%	9,450,000	21.00%	4,864,753	5.06%
Gerald Henry	1,315,000	4.86%	5,077,573	50.00%	30,899	0.09%	–	0.00%	6,423,472	6.68%
Brian Henry*	742,470	2.75%	–	0.00%	5,652,222	15.80%	–	0.00%	6,394,692	6.65%
Robert Craig and Arlene Craig	–	0.00%	2,538,787	25.00%	2,533,436	7.08%	–	0.00%	5,072,223	5.28%
Christopher Hardy**	1,657,370	6.13%	–	0.00%	2,713,333	7.58%	–	0.00%	4,370,703	4.55%
Michael Mayell***	78,125	0.29%	–	0.00%	3,900,000	10.90%	–	0.00%	3,978,125	4.14%
Vix Investments Ltd	3,026,000	11.19%	–	0.00%	–	0.00%	–	0.00%	3,026,000	3.15%

Immediately following Admission:

<i>Shareholder name</i>	<i>Percentage of Enlarged</i>		
	<i>Ordinary Shares</i>	<i>Share Capital</i>	<i>Warrants</i>
Ian Davy	5,328,062	5.21%	–
Ehud Reiter	5,328,062	5.21%	–
Somayajulu Sripada	5,328,062	5.21%	–
The University Court of the University of Aberdeen	4,864,753	4.76%	–
Gerald Henry	6,423,472	6.28%	515,000
Brian Henry*	6,394,692	6.25%	78,125
Robert Craig and Arlene Craig	5,072,223	4.96%	–
Christopher Hardy **	4,370,703	4.27%	150,000
Michael Mayell***	3,978,125	3.89%	78,125
The Ikonc Fund Limited (Bahamas)	3,125,000	3.06%	3,125,000

*These shares are registered in the name of Kiri Borg and jointly in the names of Brian Henry and his wife, Kiri Borg.

**These shares are registered in the name of Christopher Hardy, the De Latour Trust (of which Christopher Hardy is a trustee), Christopher Hardy and James Hardy (jointly) and Debbie Hardy (wife of Christopher Hardy).

***These shares are registered in the name of Michael Mayell and The Moko Trust, of which Michael Mayell is a trustee.

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- 8.5 No holders of Ordinary Shares, including those set out in paragraph 8.4 above, will have differing rights, including voting rights, following Admission.
- 8.6 The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, will or could exercise control over the Company at Admission and there are no arrangements the operation of which could result in a change of control of the Company.
- 8.7 Save as disclosed in paragraph 8.8 and 8.9 below, no Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and was effected during the current or immediately preceding financial year or was effected during any earlier financial year which remains outstanding and unperformed in any respect.
- 8.8 In September 2012, Sharon Daniels, as a shareholder of Global IP, Inc., entered into the Reorganisation Agreement with the Company. Further details of that Reorganisation Agreement, which completed on 25 October 2013, can be found at paragraph 13.7 of this Part VI.
- 8.9 Arria Design Group Limited, of which Sharon Daniels is a shareholder, currently invoices the Company for the following:
- (i) reimbursement of rent. Arria Design Group Limited pays the full rent on the premises in Auckland, New Zealand, and invoices the Company for its share which is 81 per cent.;
 - (ii) reimbursement of expenses such as utilities and mobile phone costs for Matthew Gould, David Lloyd and Gerald Henry; and
 - (iii) a consulting retainer for Gerald Henry (US\$18,333 per month), Christopher Hardy (US\$11,000 per month) and Steve Dunlop (US\$11,000 per month).
- 8.10 There are no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors which are now outstanding.

9. Service agreements and remuneration of the Directors

- 9.1 The Directors have entered into the following service agreements with the Company:

- 9.1.1 Stuart Rogers' service agreement commenced 27 November 2013 (although his continuity of employment runs from 1 May 2012). His position is Chief Executive Officer and Executive Director. Mr Rogers is entitled to a basic salary of £228,000 per annum and an annual bonus consideration (cash and/or equity) based on attainment of specific corporate goals (subject to the approval of the Remuneration Committee). Mr Rogers is entitled to: (i) travel business class for air travel of flights over 8 hours; (ii) a corporate flat in London (with reimbursement not to exceed £86,400 annually after tax plus utilities and council tax); (iii) a £15,000 repatriation allowance (if the requirements of his role are such that he can return to the United States); and (iv) tax planning and equalisation costs to be met by the Company (to the extent any US and UK tax exceeds the tax liability of what his position would be were he to be based in the US). The contract term is envisaged to run until 1 May 2015 or such later date as mutually agreed (subject to its termination by notice).

The contract provides that Mr Rogers' employment can be terminated on nine months' notice by the Company, although if Mr Rogers' employment is terminated by way of pay-in-lieu-of-notice, the Company must pay the greater of the value of his nine month notice period or the salary he would have accrued until 1 May 2015. The Company contributes 5 per cent. of Mr Rogers' basic salary into a pension scheme. Mr Rogers is also entitled to payments by the Company into a life assurance scheme, a private medical insurance scheme and a permanent health insurance scheme and is entitled to repayment of any expenses properly and reasonably incurred in the performance of his duties.

- 9.1.2 Wayne Thornhill's service agreement commenced on 27 November 2013 (although his continuity of employment runs from 3 September 2012). His position is Chief Financial Officer of the Company. Mr Thornhill is entitled to a basic salary of £170,000 per annum and a bonus of up to

50 per cent. of basic salary based on specific targets set by the Chief Executive Officer subject to the approval of the Remuneration Committee. As a signing on bonus, Mr Thornhill was issued 250,000 Ordinary Shares at a nominal value, plus £99,542 in cash to cover tax liabilities arising out of issue of those shares. The notice period from Mr Thornhill to the Company and from the Company to Mr Thornhill is nine months' written notice.

The Company contributes 5 per cent. of Mr Thornhill's basic salary into a pension scheme. Mr Thornhill is also entitled to payments by the Company into a life assurance scheme, a private medical insurance scheme and a permanent health insurance scheme and is entitled to repayment of any expenses properly and reasonably incurred in the performance of his duties.

9.1.3 Simon Small's service agreement commenced on 27 November 2013 (although his continuity of employment runs from 2 April 2012). His position is President and Executive Director. Mr Small is entitled to a basic salary of £180,000 per annum and a sales commission that has yet to be determined. Mr Small is entitled to travel business class for air travel of flights over 8 hours. The contract provides that Mr Small's employment can be terminated on nine months' notice by the Company, although if Mr Small's employment is terminated by way of pay-in-lieu-of-notice, the Company must pay the greater of the value of his nine month notice period or the salary he would have accrued until 2 April 2015. The Company contributes 5 per cent. of Mr Small's basic salary into a pension scheme. Mr Small is also entitled to payments by the Company into a life assurance scheme, a private medical insurance scheme and a permanent health insurance scheme and is entitled to repayment of any expenses properly and reasonably incurred in the performance of his duties.

9.1.4 Sharon Daniels' service agreement commenced on 27 November 2013 (although her continuity of employment runs from 1 November 2013). Her position is Chief Marketing Officer of the Company. Ms Daniels is entitled to a basic salary of £150,000 per annum and a bonus of up to 50 per cent. of basic salary based on specific targets set by the Chief Executive Officer subject to the approval of the Remuneration Committee. In addition, a fixed annual retainer of £20,000 will be made payable to Strategic Brand Consulting LLC, a company controlled by Ms Daniels, for office space, production and marketing services carried out in New Jersey. The notice period from Ms Daniels to the Company and from the Company to Ms Daniels is nine months' written notice.

The Company contributes 5 per cent. of Ms Daniels' basic salary into a pension scheme. Ms Daniels is also entitled to payments by the Company into a life assurance scheme, a private medical insurance scheme and a permanent health insurance scheme and is entitled to repayment of any expenses properly and reasonably incurred in the performance of her duties.

9.2 Michael Higgins entered into a letter of appointment with the Company on 14 November 2013 in connection with his role as an independent non-executive director of the Company. Michael Higgins shall receive an annual fee of £25,000 plus all reasonable and properly documented expenses which he incurs in the performance of his duties. Michael Higgins is also paid £5,000 per annum for taking the chairmanship of the audit committee. Michael Higgins' appointment shall be for an initial term of 1 year from Admission unless otherwise terminated earlier by either party upon one month's written notice. Michael Higgins' time commitment is not fixed but is expected to be 24 days per year (and to the extent he works in excess of 24 days per year after the induction phase, he will receive a day rate of £1,750 per day). There are no benefits payable on the termination of Michael Higgins' appointment.

9.3 Paul Kidney entered into a letter of appointment with the Company on 14 November 2013 in connection with his role as an independent non-executive director of the Company. Paul Kidney shall receive an annual fee of £25,000 plus all reasonable and properly documented expenses which he incurs in the performance of his duties. Paul Kidney is also paid £5,000 per annum for taking the chairmanship of the remuneration committee. Paul Kidney's appointment shall be for an initial term of 1 year from Admission unless otherwise terminated earlier by either party upon one month's written notice. Paul Kidney's time commitment is not fixed but is expected to be 24 days per year (and to the extent he works in excess of 24 days per year after the induction phase, he will receive a day rate of £1,750 per day). There are no benefits payable on the termination of Paul Kidney's appointment.

9.4 Save as set out in paragraphs 9.1 to 9.3 above, upon Admission there will be no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group. Furthermore, save as set out at paragraphs 9.1 to 9.3 above and paragraph 2.10 of this Part VI of this document (relating to the share options) there are no commissions or profit-sharing arrangements with any of the Directors.

9.5 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

10. Employees

As at the date of this document, in addition to the two non-executive Directors (see paragraphs 9.2 and 9.3 of this Part VI), the Group has 31 full time employees. Of these, 12 are based in London, England; 16 are based in Aberdeen, Scotland; one is based in Bristol, England; one is based in Berlin, Germany; and one is based in Zoetermeer, the Netherlands.

Breakdown by activity:

<i>Department/Division</i>	<i>At the date of this document</i>	<i>At 31 March 2013</i>	<i>At 30 September 2012</i>
Directors	4	3	2
Sales and Marketing	3	3	–
Finance and Administration	4	6	4
Development and Operations	21	18	10
	<u>32</u>	<u>30</u>	<u>16</u>

The Group also has two individuals (both based in Aberdeen, Scotland, in the Development & Operations division) the engagement of whom is split over part-time employment and the remainder as consultancy.

The Company has also contracted the services of 16 other consultants. Of these, 9 are based in the United States; 4 are based in Auckland, New Zealand; 1 is based in the Bahamas and 2 are based in Sydney, Australia.

Breakdown by activity:

<i>Type of consultancy</i>	<i>At the date of this document</i>	<i>At 31 March 2013</i>	<i>At 30 September 2012</i>
Directors	–	1	3
Sales and Marketing	8	8	7
Finance and Administration	4	4	4
Development and Operations	3	3	3
	<u>15</u>	<u>16</u>	<u>17</u>

11. Pensions and Life Assurance Arrangements

The Group operates the following pension and life assurance arrangements:

11.1 The Company

The Company will provide a group personal pension plan to its employees. This will be a defined contribution (rather than a defined benefit) arrangement. Once the pension plan is established, the Company will make a contribution of 5 per cent. per annum of pensionable salary in respect of each member of the plan from the commencement of their employment with the Company. There will be a

requirement for members of the plan to contribute into the plan also, unless they choose to formally opt out of making personal contributions into the plan. Whilst finalising the plan, the Company has been accruing the cost of unpaid pension contributions. As at 30 September 2013, the balance sheet contained an accrual of £79,234 relating to unpaid pension contributions to be made on behalf of staff members of the plan.

The Company operates a group life assurance scheme which is set up under a trust and insured with Unum Limited, and arranged through Foster Devono Limited. The Company is not a trustee of the group life assurance scheme. The group scheme provides a death-in-service benefit of four times salary. All employees are eligible to join this arrangement once they have completed their probation period. All employees of the Company are members of the group life assurance scheme.

11.2 **Data2Text**

Data2Text provides a group personal pension plan to its employees following completion of a probation period. This is a defined contribution (rather than a defined benefit) arrangement. The group personal pension plan is operated by Scottish Life. Data2Text makes a contribution of 5 per cent. per annum of pensionable salary in respect of each member and there is no requirement for members to “match” Data2Text’s contribution in order for its contribution to be paid).

Data2Text also operates a group life assurance scheme which is set up under trust and insured with Jubilee Life Insurance and arranged through Lutine Assurance Services Limited. Data2Text is the trustee of the group life assurance scheme which provides a death-in-service benefit of four times salary. Membership of the group life assurance scheme is compulsory for all members of the group personal pension plan after six months service and all employees were eligible to join this arrangement once they had completed their probation period. All employees of Data2Text are members of the group life assurance scheme.

12. **Taxation**

Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the United Kingdom, should consult his or her professional advisers immediately.

The following statements do not constitute tax advice and are intended only as a general guide to current United Kingdom tax law and published practice of the United Kingdom HM Revenue & Customs (“HMRC”), both of which are subject to change at any time, possibly with retrospective effect.

The statements refer to certain limited aspects of the tax treatment of Shareholders in the United Kingdom and (except to the extent stated otherwise) apply only to persons who are the absolute owner (i.e. the legal and beneficial owner) of the Ordinary Shares and Warrants (and the Ordinary Shares are not held through an Individual Savings Account or a Self Invested Personal Pension); hold their Ordinary Shares and Warrants as investments and not as securities to be realised in the course of a trade; have not (and are not deemed to have) acquired their Ordinary Shares and Warrants by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Group.

These statements may not apply to certain classes of investors who are subject to different tax rules. Such persons may include (but are not limited to): dealers in securities, insurance companies, collective investment schemes and Shareholders who are exempt from taxation in the United Kingdom.

12.1 **Dividends**

Under current United Kingdom tax legislation, the Company is not required to withhold tax at source from dividend payments it makes to shareholders in respect of its Ordinary Shares.

Individual shareholders resident for tax purposes in the United Kingdom should generally be entitled to a tax credit in respect of any dividend received from the Company equal to one-ninth of the amount of the dividend.

An individual shareholder's liability to income tax will be calculated on the sum of the dividend and the tax credit (the "**gross dividend**"). This will be regarded as the top slice of the individual's income and will be subject to United Kingdom income tax at the rates described below.

The tax credit equals 10 per cent. of the gross dividend and should be available to set against an individual shareholder's liability (if any) to income tax on that gross dividend.

Individual shareholders liable to income tax at no more than the basic rate will be liable to income tax on dividend income received at the rate of 10 per cent. (2013/14) of the gross dividend. This means that the tax credit will satisfy in full the individual shareholder's liability to pay income tax on the dividend received.

The rate of income tax applying to dividends received by an individual shareholder liable to income tax at the higher rate will be 32.5 per cent. (2013/14) of the gross dividend. In the case of a dividend received by an individual shareholder liable to income tax at the additional rate, the applicable rate of income tax will be 37.5 per cent. (2013/14). After taking into account the 10 per cent. tax credit, a higher rate taxpayer will be liable to income tax of 22.5 per cent. of the gross dividend, which is equal to 25 per cent. of the cash dividend received and an additional rate taxpayer will be liable to additional income tax at 27.5 per cent. of the gross dividend (30.6 per cent. of the cash dividend received).

For example, an individual shareholder receiving a dividend of £90 would receive a tax credit of £10. The gross dividend would be £100. If the shareholder is a higher rate taxpayer, he would be taxed on the dividend at £32.50 (32.5 per cent. of £100), but can set against this the tax credit of £10. This leaves tax to pay of £22.50, which is 25 per cent. of the £90 dividend received.

Individual shareholders who are resident in the United Kingdom cannot claim payment of the tax credit from HMRC, even if the tax credit exceeds the liability of the shareholders to pay income tax on the dividend in question.

Trustees who are liable to income tax at the rate applicable to trusts (currently 45 per cent.) will pay tax on the gross dividend at the dividend trust rate of 37.5 per cent. (2013/14) against which they can set the tax credit. To the extent that the tax credit exceeds the trustees' liability to account for income tax, the trustees will have no right to claim repayment of the tax credit.

A corporate Shareholder (within the charge to corporation tax in the United Kingdom) which is a 'small company' for the purposes of the legislation which provides for the taxation of dividends in the United Kingdom will not generally be subject to corporation tax in the United Kingdom on dividends from the Company.

Other corporate Shareholders (within the charge to corporation tax in the United Kingdom) will not be subject to tax on dividends from the Company provided the dividends fall within an exempt class and certain conditions are met. In general, almost all dividends received by corporate Shareholders will fall within an exempt class. Examples of dividends that fall within exempt classes include dividends paid on shares that are non-redeemable ordinary shares, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the Company (or any class of that share capital).

The exemptions are not comprehensive and are subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to corporation tax in the United Kingdom on dividends received from the Company. Corporation tax is charged on dividends at the rate applicable to that company.

United Kingdom registered pension schemes and charities are generally exempt from tax on dividends which they receive but they are not entitled to claim repayment of the tax credit.

Individual shareholders who are resident for tax purposes in countries other than the United Kingdom but who are nationals of states which are part of the European Economic Area, residents of the Isle of Man or the Channel Islands, or certain other persons are entitled to a tax credit as if they were resident for tax purposes in the United Kingdom which they may set off against their total United Kingdom income tax liability. Such shareholders will generally not be able to claim payment of the tax credit from HMRC.

Other shareholders who are not resident in the United Kingdom for tax purposes will not generally be entitled to claim payment of any part of the tax credit from HMRC under any double taxation treaty or otherwise, or if they are entitled, any such payment is likely to be negligible.

12.2 **Chargeable gains**

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is (at any time in the relevant tax year in the United Kingdom) resident in the United Kingdom for tax purposes, may give rise to a chargeable gain or an allowable loss for the purposes of taxation of chargeable gains in the United Kingdom, depending on the shareholder's circumstances and subject to any available exemption or relief. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the original acquisition cost of the Ordinary Shares.

Shareholders who are not resident in the United Kingdom for tax purposes but who carry on a trade, profession or vocation in the United Kingdom through a branch, agency or fixed place of business in the United Kingdom may be liable to United Kingdom taxation on chargeable gains on any gain on a disposal or deemed disposal of their Ordinary Shares, if those Ordinary Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that branch, agency or fixed place of business.

A shareholder who is an individual and who acquires Ordinary Shares whilst a resident of the United Kingdom but subsequently ceases to be resident for tax purposes in the United Kingdom for a period five years or less and who disposes of the Ordinary Shares during that period may be liable, on his return, to the United Kingdom capital gains tax (subject to any available exemption or relief).

A disposal or deemed disposal of Warrants by a holder of Warrants (a "Warrantholder") will be taxed in a similar way. However, any base cost of a warrantholder in their Warrants will be subject to reduction under the "wasting asset" rules.

The tax implications for UK corporates holding Warrants will in part depend on the accounting treatment adopted by the Warrantholder. The warrants may be derivative contracts for the purposes of Part 7 CTA 2009, or they may be chargeable gains assets for the purposes of TCGA 1992. Such persons should consider consulting their professional adviser.

The warrants will usually be a capital gains tax asset for UK resident individuals. The Warrantholder will acquire their resulting Ordinary Shares with a base cost equal to the aggregate of any consideration paid to acquire the Warrant and the amount paid to exercise that Warrant.

12.3 **Inheritance tax**

The Ordinary Shares and Warrants are assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such shares by, or on the death of, an individual shareholder may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax even if the shareholder is neither domiciled nor deemed to be domiciled in the United Kingdom.

Shares which are traded on AIM are currently treated as unquoted for the purposes of the inheritance tax legislation. This means that Ordinary Shares held by individuals for at least two years may qualify for more generous exemptions from inheritance tax on death or in relation to lifetime transfers of value. Shareholders should consult their own professional advisers on whether the tax benefit referred to above may be available to them.

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

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT, or to persons connected with depositary arrangements or clearance services, who may be liable at a higher rate.

- The allocation and issue of the new Ordinary Shares and Warrants will not generally give rise to a liability to stamp duty or SDRT.

- Subject to an exemption for certain low value transactions, any subsequent conveyance or transfer on sale of Ordinary Shares and Warrants will usually be subject to stamp duty on the instrument of transfer at a rate of 0.5 per cent. of the amount or value of the consideration (rounded up, if necessary, to the nearest £5). A charge to SDRT at the rate of 0.5 per cent. may also arise on an unconditional agreement to transfer such Ordinary Shares and Warrants, although the liability will be cancelled and any SDRT already paid will be repaid if, within six years of the SDRT liability arising, a transfer is executed pursuant to the agreement and stamp duty is paid on that transfer.
- A transfer of Ordinary Shares and Warrants into CREST will not generally give rise to a charge to stamp duty or SDRT unless the transfer is made for consideration, in which case SDRT will arise, usually at the rate of 0.5 per cent. of the value of that consideration. A transfer of Ordinary Shares and Warrants effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the value of the consideration given.
- It was announced in the Budget 2013 that the UK Government intends to abolish stamp tax on transactions in shares quoted on growth markets, including AIM. However, the change, if implemented, would not be effective until April 2014 at the earliest and it has been stated that consultation will take place first.

13. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of publication of this document and which are, or may be, material to the Group or have been entered into by any member of the Group at any time and contain a provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this document:

13.1 *An agreement for the delivery of ASP Services dated 1 February 2013 (Contract No. GF31070) between Shell and Data2Text (the "ASP Services Agreement")*

- 13.1.1 The ASP Services Agreement provides for Data2Text to provide certain services ("**ASP Services**") to Shell, described generally as access to the "NLG Compression Surveillance Project – UAD Bridge Data2Text System – As Built Document" and related software, systems and equipment. The ASP Services further include maintenance and support (including access to certain Data2Text experts and engineers), quarterly standards reviews, and upgrades to all software. In exchange for the ASP Services, Shell has paid US\$1,000,000. The ASP Services Agreement is non-exclusive and Shell retains the right to obtain the same or similar services from other providers.
- 13.1.2 Under the terms and conditions of the ASP Services Agreement, Data2Text warrants that:
- all documentation provided to enable Shell to use the ASP Services will be complete and accurate;
 - ASP Services will be provided with skill and in accordance with "Best Industry Practice"; and
 - Data2Text is not party to any agreement that conflicts with or impedes its performance under the ASP Services Agreement, and Data2Text has access and right to all relevant technical information, personnel, expertise and data necessary to perform the ASP Services.
- 13.1.3 In the event of any breach of the forgoing warranties, Data2Text is obligated to modify the ASP Services to comply with such warranties.
- 13.1.4 Data2Text continues to own all intellectual property rights in pre-existing systems and in any work undertaken or created by Data2Text prior to the effective date of the ASP Services Agreement and incidental to the provision of ASP Services, as well as all intellectual property rights arising in connection with any work undertaken after the effective date of the ASP Services Agreement for the provision of the ASP Services to Shell. Shell retains all intellectual property

rights in its data, including any reports that may be created from such data. Each of Shell and Data2Text are subject to covenants and restrictions regarding the use of confidential information.

13.1.5 Data2Text agrees to indemnify Shell for any liability arising out of a claim that Data2Text's intellectual property infringes the intellectual property rights of others and may in such event, at Data2Text's election, procure the right for Shell to continue to use the ASP Services and related works, or modify the ASP Services such that they are no longer infringing. Shell agrees to indemnify Data2Text for any liability for personal injury and property damage claims arising out of Shell's use of the ASP Services. Neither party is liable for any consequential damages.

13.1.6 The initial term of the ASP Services Agreement expires on 31 December 2013. The ASP Services Agreement may be terminated upon material breach or bankruptcy of either party, or by either party following the expiration of the initial term on 90 days' written notice. If the ASP Services Agreement is terminated due to a breach by Data2Text, Data2Text is entitled to receive payment for the ASP Services that are unaffected by the breach. In all cases of termination, Shell agrees to return to Data2Text all software, documents and other items delivered as part of the ASP Services, and Data2Text agrees to return any Shell data.

13.1.7 Additional material terms and conditions of the ASP Services Agreement include the following:

- Data2Text assures that there are no viruses or other malicious program codes contained in any software, including any hidden functionalities, and agrees to maintain and use appropriate checks and controls on an ongoing basis.
- Shell has the right to audit Data2Text's compliance with the Agreement.
- Data2Text is responsible for taxes relating to the ASP Services and related works and deliverables, other than value-added taxes.
- Data2Text provides the ASP Services as an independent contractor.
- The ASP Services Agreement may not be assigned without the consent of the non-assigning party, but no consent is required in the event Data2Text is acquired by a third party.
- Data2Text may not make reference to the ASP Services Agreement in any advertising sales promotion or any other publicity without Shell's consent.
- Data2Text is required to maintain adequate insurance coverage.
- Data2Text's total aggregate liability to Shell and any third parties is limited to the total cost of the ASP Services provided.

13.1.8 The ASP Services Agreement is governed by New York law and provides for disputes to be resolved by arbitration held in New York City in accordance with the rules of the International Institute for Conflict Prevention and Resolution. Any necessary court proceedings will be in the federal or state courts located in New York City.

13.2 **A services agreement dated 1 February 2013 (Contract No. GF31073) between Shell and Data2Text ("Services Agreement")**

13.2.1 The Services Agreement provides for Data2Text to provide services ("**Services**") as set forth from time to time in various scopes of work ("**SOW**"). Current SOWs provide for Data2Text to work with Shell to enhance the UAD Bridge System currently deployed by Shell (which Shell acquired and uses pursuant to the ASP Services Agreement, described above) and deliver various deliverables ("**Deliverables**"), consisting primarily of software. The fee for completing the current SOWs (including delivery of all deliverables) was US\$700,000, which was due to be paid on 1 July 2013 and was paid in full at the time of this document. Data2Text is also entitled to reimbursement of certain expenses.

13.2.2 Under the terms and conditions of the Services Agreement, Data2Text warrants that:

- all software will function and execute on the Data2Text systems utilized by Shell;

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- the software will contain no viruses or other malicious program codes, including any hidden functionalities, and agrees to maintain and use appropriate checks and controls on an ongoing basis;
 - Services and Deliverables will be provided with skill and in accordance with “Best Industry Practice”; and
 - Data2Text owns all right and title in and to its software and information, and that it will use best efforts to avoid any claims of infringement.
- 13.2.3 In the event of any infringement claim, Data2Text will control and be responsible for defending such claim and will use its best efforts to secure the right to continue using any intellectual property that is the subject of an infringement claim, including securing a license or modifying the intellectual property. If a right to use the subject intellectual property cannot be secured, Data2Text must refund that portion of the purchase price paid by Shell that relates to the unusable intellectual property.
- 13.2.4 Each party agrees to indemnify the other party for any personal injury or property damage claim arising out the performance of the Services Agreement, and Shell agrees to indemnify Data2Text for any liability for personal injury and property damage claims arising out of Shell’s use of the Services or Deliverables. Data2Text expressly disclaims any liability for loss, corruption or compromise of any Shell confidential information, software, metadata, system or hardware, unless such loss is due to Data2Text’s gross negligence or willful misconduct. Neither party is liable for any consequential damages.
- 13.2.5 Each party continues to own all right and title in and to inventions, information and intellectual property existing prior to the Services Agreement. Data2Text will own all inventions and information developed under the Services Agreement. Each of Shell and Data2Text are subject to covenants and restrictions regarding the use of confidential information.
- 13.2.6 The Services Agreement is effective as of 1 February 2013 and shall continue in force until 31 December 2013 unless terminated upon material breach or bankruptcy of either party. Upon termination the parties will determine which portions of Services and Deliverables have been completed and Data2Text will be entitled to payment for such completed portions.
- 13.2.7 Additional material terms and conditions of the Services Agreement include the following:
- Data2Text is responsible for taxes relating to the Services and Deliverables, other than value-added taxes.
 - Data2Text provides the Services as an independent contractor.
 - The Services Agreement may not be assigned without the consent of the non-assigning party, but no consent is required in the event Data2Text is acquired by a third party.
 - Data2Text may not make reference to the Services Agreement in any publicity without Shell’s consent.
 - Data2Text is required to maintain adequate insurance coverage.
- 13.2.8 The Services Agreement is governed by New York law and provides for disputes to be resolved by arbitration held in New York City in accordance with the rules of the International Institute for Conflict Prevention and Resolution. Any necessary court proceedings will be in the federal or state courts located in New York City.
- 13.3 ***A subscription and shareholders’ agreement dated 1 May 2012 between the Company, the Data2Text Founders and Data2Text, in relation to the acquisition of shares in the capital of Data2Text (“Aberdeen Agreement”)***
- 13.3.1 Pursuant to the Aberdeen Agreement, the Company subscribed on 1 May 2012 for 25 ordinary shares in the capital of Data2Text at a subscription price of £13,000 per ordinary share, payable in equal instalments of £27,083 over a twelve month period which ended in April 2013.
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- 13.3.2 Under the Aberdeen Agreement, the Company was also given the option to acquire the remaining shares in Data2Text (“**Option**”) until 1 May 2013 (with the option to extend it to 1 May 2014 provided the Company notifies the Data2Text Founders of such extension in writing (the “**Extension Notification**”)) (“**Option Period**”).

The sale price during the Option Period for the shares the subject of the Option was:

13.3.2.1 £3,125,000; and

13.3.2.2 such number of shares in the Company (or a new holding company) as have the greater value of:

- (a) £21,875,000 (in aggregate); and
- (b) shares comprising 22.5 per cent. of the issued share capital of the Company on a listing of the Company

Or

13.3.2.3 provided that the Company has cash reserves of not less than £25,000,000 and third party indebtedness of not greater than £1,000,000:

- (a) £10,000,000 in cash; and
- (b) shares comprising 11.25 per cent. of the issued share capital of the Company (or any holding company) at the time of the issue of such shares upon exercise of the Option.

13.3.3 The Aberdeen Agreement was terminated when the Option was completed on 25 October 2013.

13.3.4 The Aberdeen Agreement was governed by the laws of England and Wales and the parties irrevocably submitted to the exclusive jurisdiction of the courts of Scotland or England and Wales.

13.4 **Option exercise agreement relating to certain shares in Data2Text dated 2 April 2013 between the Company, the Data2Text Founders and Data2Text (the “First OEA”)**

13.4.1 Under the terms of the First OEA, the Company exercised the Option conditional on, *inter alia*, NZX Limited delivering a confirmation to the Company that its Shares are expected to be listed on the NZX Main Board in New Zealand on a specific date (the “Option Condition”).

13.4.2 Upon the Option Condition not being satisfied by 30 June 2013, the exercise of the Option by the First OEA lapsed, but the surviving provisions of the First OEA included a Extension Notification thereby allowing exercise of the Option up to and including 1 May 2014.

13.4.3 The First OEA was governed by the laws of England and Wales, and was subject to the non-exclusive jurisdiction of the courts of England and Wales.

13.5 **Option exercise agreement relating to certain shares in Data2Text dated 4 September 2013 between the Company, the Data2Text Founders and Data2Text (the “Second OEA”)**

13.5.1 The terms of the Second OEA were largely the same as under the First OEA, save that the consideration for the shares in Data2Text subject to the Option was £3,125,000 and the Data2Text Acquisition Shares.

13.5.2 The Second OEA lapsed before completion.

13.5.3 The Second OEA was governed by the laws of England and Wales, and was subject to the non-exclusive jurisdiction of the courts of England and Wales.

13.6 **Option exercise agreement relating to certain shares in Data2Text dated 24 October 2013 between the Company, the Data2Text Founders and Data2Text (the “Third OEA”)**

13.6.1 The terms of the Third OEA were largely the same as under the Second OEA and, under the terms of the Third OEA, the Company exercised the Option.

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- 13.6.2 The consideration for the shares in Data2Text subject to the Option was £3,125,000 and the Data2Text Acquisition Shares.
- 13.6.3 The exercise of the Option under the terms of the Third OEA was completed on 25 October 2013.
- 13.6.4 The Third OEA is governed by the laws of England and Wales, and is subject to the non-exclusive jurisdiction of the courts of England and Wales.
- 13.7 A reorganisation agreement dated September 2012 between the Company, Sharon Daniels and Robert Craig (as amended) (“Reorganisation Agreement”)**
- 13.7.1 Pursuant to the Reorganisation Agreement, Robert Craig and Sharon Daniels, as the shareholders of Global IP, Inc. each agreed to contribute their shares in Global IP, Inc. to the Company in exchange for the issue of 5,077,574 series B Preference Shares (2,538,767 each).
- 13.7.2 This transaction was originally scheduled to complete on or before 30 September 2012, but could be completed at any time until 31 March 2015, conditional on the Company having a three-year operating history (or acquiring a three year trading history which occurred by completing the acquisition of Data2Text which happened on 25 October 2013).
- 13.7.3 Upon the completion of the exercise of the Option (as set out at paragraph 13.3.2 above), the transaction completed and Global IP, Inc became a wholly owned subsidiary of the Company on 25 October 2013.
- 13.7.4 As amended, the Reorganisation Agreement provides for the Company to have the right to sub-licence all intellectual property owned by IP Development, Inc. (previously S.K. Daniels Holdings, Inc.) (“**Company IP**”), with no reservation of IP Development, Inc. rights to practice such Company IP in the US. The consideration to be paid for such sub-licence is 6 per cent. of the Company’s gross revenues from US sales of products and services which embody the Company IP, and 12 per cent. of the Company’s gross revenues from the licensing in the US of products that embody the Company IP.
- 13.7.5 The Reorganisation Agreement is governed by the law of Nevada.
- 13.8 A framework agreement dated 20 April 2011 for the purchase and supply of goods and services between Data2Text and the MET Office (“MET Agreement”)**
- 13.8.2 Pursuant to the MET Agreement, the parties can enter into work orders for the provision of services/goods. The MET Agreement commenced on 18 April 2011 and has an initial term of 3 years from the commencement date. The MET Office can renew the agreement for a further 1 year period on not less than 3 months’ notice.
- 13.8.3 Pursuant to the MET Agreement, the contract price is as set out in each work order and the rates are fixed for the initial term. If a renewal is required by the MET Office then the rates will increase by the percentage of the Consumer Price Index (as defined in the MET Agreement) in the year of commencement of the renewal term.
- 13.8.4 Under the MET Agreement, the MET Office can request a non-exclusive licence of work developed by Data2Text at an annual rate of 20 per cent. of the fees paid to Data2Text under the work order relating to the relevant development (subject to a minimum of £5,000). Any licence fee will also be subject to annual increase in line with the Consumer Price Index.
- 13.8.5 Under the MET Agreement, Data2Text assigns “Materials IPR” to the MET Office. Materials IPR includes reports, studies, data, diagrams, charts and specifications developed as part of the services but expressly excludes source code, algorithms and methodology developed exclusively by Data2Text.
- 13.8.6 Data2Text provided standard warranties under the MET Agreement and Data2Text has agreed to indemnify the MET Office for specific losses.
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- 13.8.7 The MET Office shall be entitled to terminate the MET Agreement if Data2Text undergoes a change of control and the MET Office reasonably determines that such change of control is likely to adversely impact upon (i) the ability of Data2Text to discharge its obligations; and/or (ii) the commercial interests of the MET Office. Either party shall be entitled to terminate the MET Agreement or an individual work order immediately if (i) the other party commits a material and/or persistent breach which, if capable of remedy, is not remedied within 14 days of notice requiring remedy; or (ii) the other party undergoes an insolvency type event. The MET Office may terminate the MET Agreement (or any work order) at any time on 30 days' written notice. In such circumstances the MET Office's sole liability is to pay Data2Text the sums due for services/goods delivered at the time of termination (provided such sum is not greater than the price payable under the relevant work order).
- 13.8.8 The MET Agreement and each work order is governed by the laws of England and Wales and the parties submit to the exclusive jurisdiction of the English courts.

13.9 A software licence agreement dated 23 April 2012 between Data2Text and The MET Office ("Software Agreement")

- 13.9.1 Pursuant to the Software Agreement, a licence is granted of a "Site specific forecast system" ("**Software**") developed for the MET "Invest" site for use with the "MET Office Best Data". The Agreement also provides for "maintenance and repair" of the Software.
- 13.9.2 The Software Agreement commenced on 18 April 2012 and continues until terminated.
- 13.9.3 Under the Software Agreement, the contract price is £14,000 per annum (exclusive of VAT) and fees are paid annually in advanced. The price increases on each anniversary of the commencement date in line with any increase in the Retail Price Index.
- 13.9.4 Pursuant to the Software Agreement, Data2Text grants the MET Office (i) a worldwide, organisation wide, multiple-use, non-transferable and exclusive right and licence to use the Software for weather forecasting purposes; and (ii) a worldwide, organisation wide, multiple-use, non-transferable and non-exclusive licence to use the Software for any other purpose yet to be defined and agreed by the parties. The MET Office has no rights in and to the Software other than the licence.
- 13.9.5 Either party may terminate either of the licences on 3 months' written notice. Data2Text shall be entitled to terminate the licence in the event that the MET Office challenges the validity of enforceability of Data2Text's intellectual property rights. Either party may terminate the Software Agreement on written notice if (i) the other party is in material or persistent breach of the Software Agreement and, if capable of remedy, such breach is not remedied within 30 day of notice requiring it to be remedied; or (ii) the other party undergoes an insolvency type event.
- 13.9.6 The Software Agreement is governed by the laws of Scotland and the parties submit to the non-exclusive jurisdiction of the Scottish courts.

13.10 A services agreement dated 1 May 2012 and made between Data2Text and SQM3 Limited ("SQM3 Agreement")

- 13.10.1 Pursuant to the SQM3 Agreement, Data2Text provides SQM3 Limited with services relating to the development of natural language generation software in the "retail market" and SQM3 Limited provides Data2Text with services (at no cost) which are to be agreed between the parties from time to time.
- 13.10.2 The SQM3 Agreement was for an initial term of 12 months from 1 May 2012 but was extended until 1 May 2014.
- 13.10.3 Under the SQM3 Agreement, intellectual property developed by Data2Text as part of the services relating to the retail market are assigned to SQM3 Limited.

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- 13.10.4 The SQM3 Agreement can be terminated by either party if (i) the other party commits a material breach which, if capable of remedy, is not remedied within 30 days of receipt of a notice requiring such remedy; or (ii) undergoes an insolvency type event. Data2Text can also terminate the SQM3 Agreement if the Aberdeen Agreement is terminated due to the Company's default and failure to remedy.
- 13.10.5 For the duration of the SQM3 Agreement, Data2Text agrees not to provide services similar to the services provided to SQM3 Limited which would involve commercial use or exploitation of Data2Text's natural language generation technology in the retail market.
- 13.10.6 SQM3 Limited agrees that in the event that it ceases to be a connected person of the Company that it will enter into non-compete and non-solicitation restrictions relating to Data2Text on the same terms as those set out in the Aberdeen Agreement.
- 13.10.7 The SQM3 Agreement is governed by English law and subject to the non-exclusive jurisdiction of the English courts.
- 13.11 ***An assignment of intellectual property rights dated 28 September 2012 between Gerald Henry and SQI3 Solutions Limited ("Assignment")***
- 13.11.1 Pursuant to the Assignment and immediately prior to the acquisition of SQI3 Solutions Limited by the Company (see paragraph 13.12 below), Gerald Henry assigned all of his right, title, interest and benefit in and to all intellectual property rights in SQM3 ("**SQM3 IPR**") to SQI3 Solutions Limited.
- 13.11.2 Gerald Henry's rights to the SQM3 IPR are subject to the grant of an exclusive licence to IP Development, Inc. to use the SQM3 IPR in the USA ("**US Rights**"), and the Assignment is made expressly subject to this licence.
- 13.11.3 The Assignment contains a number of warranties given to SQI3 Solutions Limited. There are no contractual limitations on SQI3 Solutions Limited making a claim under the warranties. However, certain of the warranties are qualified by the awareness of Gerald Henry.
- 13.11.4 The Assignment also contains an ongoing confidentiality clause which is not limited in time and which restricts Gerald Henry from disclosing confidential information relating to the SQM3 IPR.
- 13.11.5 The Assignment is governed by the laws of England and Wales and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.
- 13.12 ***A share exchange agreement relating to SQI3 Solutions Limited dated 28 September 2012 between the Company and Gerald Henry trading as Gerald Henry Global Consulting Group ("Share Exchange Agreement")***
- 13.12.1 Pursuant to the Share Exchange Agreement, the Company acquired the entire issued share capital of SQI3 Solutions Limited from Gerald Henry in consideration for the allotment to Gerald Henry of 5,077,573 B Preference Shares, allotted as fully paid up to the aggregate value of US\$5,077,573 in the Company.
- 13.12.2 The Share Exchange Agreement contained warranties in favour of the Company in exactly the same terms as those given by Gerald Henry under the Assignment.
- 13.12.3 The Share Exchange Agreement contains a provision that, in the event of a breach of warranty, the Company is entitled (without prejudice to any other rights it may have) to claim such sum as represents the difference between US\$5,077,573 and such amount as a third party buyer would have paid on the date the warranties were given had such buyer known about the circumstances amounting to the breach of warranty.
- 13.12.4 The Share Exchange Agreement also contains a warranty (under which the Company can recover on an indemnity basis) that SQI3 Solutions Limited has, save for entering into the Assignment, not carried on any business and has no liabilities.
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- 13.12.5 The Share Exchange Agreement is governed by the laws of England and Wales and the parties irrevocably submit to the non-exclusive jurisdiction of the courts of England and Wales.
- 13.13 **An agreement relating to the formation and collaboration in respect of the Centre dated 1 May 2012 between Data2Text, the Company and the University of Aberdeen (“Charter”)**
- 13.13.1 The Charter creates a research board for the Centre. The research board is constituted of four individuals: two appointees from Data2Text (Ehud Reiter and Somayajulu Gowri Sripada), one appointee from the Company and one appointee from the University of Aberdeen. Meetings of the research board are not quorate unless one appointee from each of Data2Text, the Company and the University of Aberdeen are present.
- 13.13.2 Where new projects are to be undertaken by the Centre the research board will assign it to one of three development tracks: (i) “Funded” – the Company funds the project and owns all intellectual property which arises therefrom with a licence-back to the University of Aberdeen for academic use; (ii) “Facilitated” – the Company does not fund the project but provides assistance and access to the Data2Text development team (peer review etc.). All intellectual property arising from the project is owned by the University of Aberdeen but the Company retains the rights to acquire the intellectual property at market value subject to a licence back to the University of Aberdeen for academic use; and (iii) “Forgone” – the project is not funded by the Company but the research board may offer input and/or peer review. In the Charter, the Company does not assert any rights over intellectual property arising from forgone projects.
- 13.13.3 All new projects proposed to be undertaken by the Centre must be referred to the research board for prior review.
- 13.13.4 The Charter has a term of three years from 1 May 2012, but the parties are required to meet at least 6 months before the expiry of the term and on each anniversary of the Charter thereafter to discuss the renewal of the Charter.
- 13.13.5 The Charter (or any project) may be terminated by the University of Aberdeen or Data2Text if (i) the option granted to the Company under the terms of the Data2Text Transaction to acquire the entire issued share capital of Data2Text lapses; or (ii) the Company is not capitalised in an amount of not less than £5,000,000 from private sources by 30 April 2013.
- 13.13.6 The Charter is governed by the laws of Scotland.
- 13.14 **A secured loan agreement dated 19 July 2013 between the Company and Gerald Henry (“Loan Agreement”)**
- 13.14.1 Pursuant to the Loan Agreement, Gerald Henry granted to the Company loan facilities of up to NZ\$2.5 million in aggregate at an interest rate of 7.5 per cent. per annum which is to be repaid (together with all interest accrued on any advances made thereunder) on 19 July 2015.
- 13.14.2 The amount outstanding on the loan facility as at the date of this document is NZ\$0. The amount outstanding on the loan facility can be repaid and reborrowed under the terms of the Loan Agreement.
- 13.14.3 Any outstanding amount under the Loan Agreement is repayable upon an event of default (which includes, inter-alia, non-payment, invalidity of security (including the Floating Charge described at paragraph 13.15 below) and insolvency of the Company).
- 13.14.4 The Loan Agreement is governed by English law and the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Loan Agreement.
- 13.15 **Floating charge granted by the Company to Gerald Henry on 19 July 2013 (the “Floating Charge”).**
- 13.15.1 Under the terms of the Floating Charge, the Company covenants to discharge all obligations due to Gerald Henry and charges with full title guarantee (subject to legal reservations and permitted security) in favour of Gerald Henry as security of such covenant.

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- 13.15.2 The Floating Charge is governed by the laws of England and is subject to the exclusive jurisdiction of England.
- 13.16 **Loan note instrument executed by the Company on 21 March 2012 (as amended on 19 July 2013 and 18 November 2013) (the “Loan Note Instrument”)**
- 13.16.1 By executing the Loan Note Instrument, the Company constituted the £1,000,000 5 per cent. unsecured redeemable loan notes 2012.
- 13.16.2 Under the Loan Note Instrument, the Company is able to issue loan notes up to a maximum principal amount of £1,000,000.
- 13.16.3 Interest on the principal outstanding amounts of the loan notes will accrue at the rate of 5 per cent.
- 13.16.4 Any outstanding loan notes (of which there are currently £325,000 as set out in paragraph 2.8.9 of this Part VI) will be repayable in full at par (if not under an event of default) immediately prior to an exit (which the Company and the loan note holders have agreed will not include Admission) or, if earlier, 30 June 2015. The Company may, at any time, repay some or all of the loan notes at par with 10 business days’ notice.
- 13.16.5 The loan notes constituted by the Loan Note Instrument are transferrable only if the proposed transferee has entered into a transfer letter (in a form approved by the Directors that confirms, *inter alia*, that the transferee undertakes to take all steps necessary in order to assist the Company achieving a listing on a stock exchange).
- 13.17 **The Lock-in Agreements (the “Lock-in Agreements”) and Orderly Market Agreements (the “Orderly Market Agreements”)**
- 13.17.1 Shareholders (together with their connected persons) holding in aggregate 65,172,727 Ordinary Shares and 1,026,250 Warrants (the “**Locked-in Persons**”) have entered into the Lock-in Agreements dated 29 November 2013 with the Company and Allenby Capital pursuant to which the Locked-in Persons have undertaken to Allenby Capital and the Company not to, other than in certain exceptions:
- sell or dispose or agree to sell or dispose of any of their interests in the Ordinary Shares or Warrants for a period of six months from the date of Admission (“Initial Lock-in Period”);
 - sell or dispose or agree to sell or dispose of any of their interests in the Ordinary Shares or Warrants in excess of 10 per cent. of the total number of Ordinary Shares and Warrants held by him for a period of six months following the expiry of the Initial Lock-in Period (“**Extended Lock-in Period**”); or
 - sell or dispose of any of their interests in the Ordinary Shares or Warrants except through Allenby Capital Limited, provided that the price and settlement terms offered by Allenby Capital Limited are not less than the price and settlement terms offered by the market, for a period of 12 months following expiry of the Extended Lock-in Period.
- 13.17.2 Shareholders (together with their connected persons) holding in aggregate 26,814,223 Ordinary Shares and 5,186,175 Warrants (the “**Signatories**”) have entered into the Orderly Market Agreements dated 29 November 2013 with the Company and Allenby Capital pursuant to which the Signatories have undertaken to Allenby Capital and the Company, not to, other than in certain exceptions, to sell or dispose of any of their interests in the Ordinary Shares or Warrants except through Allenby Capital, provided that the price and settlement terms offered by Allenby Capital are not less than the price and settlement terms offered by the market for a period of 12 calendar months following Admission.
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13.18 Introduction Agreement dated 29 November 2013 between the Company, the Directors and Allenby Capital

- 13.8.1 The Introduction Agreement, which contains certain customary warranties and undertakings from the Company and the Directors and an indemnity from the Company and (for a period of six months following Admission) the Executive Directors in favour of Allenby Capital, is conditional, inter alia, on (i) Admission occurring not later than 5 December 2013 (or such later date as the Company and Allenby Capital may agree, not being later than 31 December 2013,) and (ii) none of the warranties given to Allenby Capital prior to Admission being untrue, inaccurate or misleading in any material respect.
- 13.18.2 Under the Introduction Agreement, on Admission Allenby Capital will receive a corporate finance fee of £150,000 (exclusive of VAT) (to the extent not already paid to Allenby Capital pursuant to the engagement letter detailed at paragraph 13.20 of this Part VI) amount raised on Admission other than by Allenby Capital. The Company has agreed to pay all other costs, charges and expenses of, or incidental to, the application for Admission and related arrangements.
- 13.18.3 Allenby Capital may terminate the Introduction Agreement in specified circumstances, including for material breach of warranty at any time prior to Admission and in the event of force majeure at any time prior to Admission.
- 13.18.4 Under the Introduction Agreement, the Company has agreed that it will not, without the prior written consent of Allenby Capital:
- (a) until the date of Admission, make public any information which will, or is reasonably likely to, affect the market price of the Company's securities;
 - (b) until the expiry of 90 days from the date of Admission:
 - (i) take any action designed to cause or result in the stabilisation or manipulation of the price of the Ordinary Shares; or
 - (ii) offer to sell any Ordinary Shares, options, warrants or any other convertible securities in the United States by means of any form of general solicitation or general advertising or in any other manner involving a public offering within the meaning of Section 4(2) of the Securities Act or with respect to any such securities sold in reliance on Rule 903 under the Securities Act, by means of any directed selling efforts.
 - (c) until the expiry of 30 days from the date of Admission, save in connection with any existing employee share schemes of the Company, offer issue, sell, contract to sell, issue options or warrants in respect of or otherwise dispose of any securities of the Company.
- 13.18.5 The agreement is governed by the laws of England, and is subject to the exclusive jurisdiction of the courts of England.

13.19 Nominated Adviser and Broker Agreement dated 29 November 2013 between the Company, the Directors and Allenby Capital

Under the terms of the Nominated Adviser and Broker Agreement, the Company appointed Allenby Capital as its nominated adviser and broker in relation to and subject to Admission in accordance with the AIM Rules for Companies and the AIM Rules for Nominated Advisers. Pursuant to the agreement, Allenby Capital will receive a retainer fee of £50,000 per annum (exclusive of VAT). In addition, the Company will pay all disbursements which Allenby Capital reasonably and properly incurs in connection with its appointment. The appointment of Allenby Capital as nominated adviser shall continue for a period of 12 months from Admission and shall continue thereafter unless and until terminated by either party on three months' notice. Allenby Capital has reserved the right to terminate the agreement forthwith in certain circumstances. Under the agreement, the Company has given certain customary indemnities to Allenby Capital in connection with its engagement as the Company's nominated adviser and broker. The agreement is governed by the laws of England and is subject to the exclusive jurisdiction of the courts of England.

13.20 *Allenby Capital Engagement Letter dated 9 July 2013 between the Company and Allenby Capital*

Pursuant to the engagement letter, Allenby Capital agreed to act as nominated adviser and broker to the Company in connection with Admission. The engagement letter contains certain undertakings and indemnities given by the Company to Allenby Capital. The Company has agreed to pay Allenby Capital a corporate finance fee of (i) £150,000 at a rate of £10,000 per month, with any balance outstanding being payable on Admission; (ii) a commission of 5 per cent. of the gross amount raised on Admission by Allenby Capital; and (iii) a co-ordination fee of 0.5 per cent. of the gross amount raised on Admission other than by Allenby Capital. The appointment of Allenby Capital may be terminated by either party giving not less than 3 months' written notice.

13.21 *Registrar agreement dated 22 November 2013 between the Company and the Registrar (the "Registrar Agreement")*

Under the terms of the Registrar Agreement, the Company has appointed the Registrar to keep the register of Shareholders and Warrantholders (as defined in Part V of this document), in both certificated and uncertificated form, and to provide various other administrative services. The Company is not required to make any payment to the Registrar in relation to Admission, and its ongoing payment obligations will be variable (but not less than £2,250 per annum) depending on the amount of activity in the Ordinary Shares and Warrants. The Registrar Agreement can be terminated by either party with three months written notice (and may be otherwise terminated with immediate effect in certain circumstances such as the insolvency of the Company).

14. Working capital

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

15. Litigation and arbitration

Neither the Company nor any member of the Group is, nor has at any time in the 12 months immediately preceding the date of this document been, involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document, in each case which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability.

16. Mandatory bids, squeeze-out and sell-out rules relating to the shares in the capital of the Company**16.1 *Mandatory bid***

The Takeover Code applies to the Company. Under rule 9 of the Takeover Code, if:

- 16.1.1 a person acquires an investment in shares in the Company which, when taken together with shares already held by him, or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- 16.1.2 a person who, together with persons acting with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in shares by the acquirer or its concert parties during the previous 12 months.

16.2 **Compulsory Acquisition**

Under sections 974 – 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

17. Related party transactions

The Group has entered into transactions with related parties during the period covered by the historical financial information as set out in paragraph 25 of Part III and paragraph 16 of Part IV of this document. Details of related party transactions to which the Group has been party since the period covered by the historical financial information of the Group are set out below.

17.1 **Purchases of goods and services**

	<i>Apr 13 – Sept 13</i>
	£
Purchases of services:	
Key management personnel	–
Close family members of key management personnel	116,197
Total	<u>116,197</u>

Fees totalling US\$71,014 were paid to Gerald Henry for consultancy services provided via the Arria Design Group Limited for period 1 April 2013 to 30 September 2013, and have continued to be paid since that date.

The Company also paid Yankee Hill LLC fees of US\$29,112 for the provision of professional services provided by Robert Craig (the son of a former Director) to the Company during the period 1 April 2013 to 30 September 2013, and US\$3,229 for the provision of professional services provided by Melissa Craig during the same period. The fees to Robert Craig have continued to be paid since 30 September 2013.

17.2 **Period-end balances arising from purchases of services**

	<i>Apr 13 – Sept 13</i>
	£
Payables:	
Close family members of key management personnel	108,056
Total	<u>108,056</u>

At 30 September 2013, the Company owed Gerald Henry GBP£88,951 by way of expenses incurred on behalf of the Company not yet reimbursed as at 30 September 2013. This balance was fully repaid in October 2013.

17.3 **Loans from related parties**

	<i>Apr 13 – Sept 13</i>
	£
Loans from key management personnel:	
Opening Balance	339,247
Advanced during the period	
Converted to A preference shares	–
Repaid or transfer of debt during the period	–
Interest charged	6,815
At 30 September 2013	<u>346,062</u>

The amount relates to outstanding loans to the Company by Michael Mayell of £208,000 and Brian Henry of £117,000. The combined opening balance of £339,247 included accrued interest of £14,247. A further £6,815 of interest was accrued to 30 September 2013, and interest has continued to accrue since that date.

17.4 **Acquisitions with related parties**

On 11 September 2012, the Company entered into the Reorganisation Agreement (further details of which are set out at paragraphs 2.6 and 13.7 above). The Reorganisation Agreement completed on 25 October 2013.

Ian Davy was a shareholder in Data2Text. On the completion of the acquisition of Data2Text by the Company, Ian received his proportion of the consideration payable to the shareholders of Data2Text by the Company. Further details of the consideration paid to the stakeholders of Data2Text is set out at paragraphs 13.3 and 13.6 above.

17.5 **Company**

The following transactions with subsidiaries occurred during the period:

During the period 1 April 2013 to 30 September 2013 the Company paid Data2Text £454,581 for technology transfer services and strategy success fees. The payment of such fees is ongoing since 30 September 2013.

During the period 1 April 2013 to 30 September 2013 the Company provided loan funding totalling £281,630 to SQM3 Limited to fund the development of a demonstrator prototype application of the SQM3 product.

During the period 1 April 2013 to 30 September 2013 the Company provided loan funding totalling £76,748 to Arria NLG B.V to fund the establishment of the subsidiary and fund payroll payments. The provision of such funding is ongoing since 30 September 2013.

17.6 **Share transaction with related parties**

Since 1 April 2013, the Company has issued shares and Warrants, and has agreed to issue certain Ordinary Shares and Warrants, and granted options over shares to certain related parties. Details of these issuances and grants, and proposed issuances, are set at in paragraph 2 of this Part VI.

18. **General**

18.1 The financial information in this document does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. PricewaterhouseCoopers LLP (a member firm of the Institute of Chartered Accountants of England and Wales) of 1 Embankment Place, London WC2N 6RH have given an unqualified audited report on the statutory accounts of the Company for the financial year ending 30 September 2012 within the meaning of section 495 of the Companies Act. This report does not contain any statements under section 498 of the Companies Act. Statutory accounts of the Company for the financial year ending 30 September 2012 have been delivered to the Register of Companies in England and Wales and statutory accounts for Data2Text for the period ending 28 February 2010 and the years ending 28 February 2011 and 29 February 2012 have been delivered to the Registrar of Companies in Scotland, all pursuant to section 441 of the Companies Act.

18.2 PricewaterhouseCoopers LLP have given and not withdrawn their consent to the inclusion in this document of its accountant's reports in Parts III and IV in the form and context in which they are included and has authorised the contents of those reports for the purposes of the AIM Rules.

18.3 Allenby Capital has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included.

18.4 Each of Brian and Gerald Henry has given and has not withdrawn its written consent to the issue of this document with the inclusion of his name in the form and context in which it is included.

- 18.5 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- 18.6 Other than the current application for Admission, neither the Ordinary Shares, the Warrants nor any other class of share in the capital of the Company have been admitted to dealings on any recognised investment exchange nor has any application for such admission been made or refused nor are there intended to be any other arrangement for dealings in Ordinary Shares or Warrants.
- 18.7 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Group's activities.
- 18.8 Save as set out in this document the Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Group's business.
- 18.9 Save as set out in paragraphs 3 of Part I of this document (referencing the acquisition of Data2Text and Global IP, Inc.) and paragraph 10 of Part I of this document, there has been no significant change in the trading or financial position of the Group since 31 March 2013, being the last date on which the financial information contained in parts III and IV of this document was prepared.
- 18.10 Save as disclosed in this document, no person (excluding the Company's professional advisers to the extent disclosed elsewhere in this document and trade suppliers) in the 12 months preceding the Company's application for Admission received, directly or indirectly, from the Company or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:
- 18.10.1 fees totalling £10,000 or more;
 - 18.10.2 securities in the Company with a value of £10,000 or more; or
 - 18.10.3 any other benefit with a value of £10,000 or more.
- 18.11 None of the Ordinary Shares, the Warrants or any other class of share in the capital of the Company have been sold, nor are they available, in whole or in part, to the public in conjunction with the application for Admission.
- 18.12 To the extent that information in this document has been sourced from a third party, the Company confirms that the information has been accurately reproduced and so far as the Company is aware, and is able to ascertain from information published by that party, no facts have been omitted that would render the information reproduced inaccurate or misleading.
- 18.13 As there will be no offer of securities as part of Admission, there has been no cost or expense incurred by the Company in connection with any such offer.

Dated: 29 November 2013

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