

# NATIONAL WORLD

A close-up photograph of a hand with fingers spread, reaching towards a glowing blue light source, possibly a screen or a light strip, against a dark background.

**Prospectus**  
September 2019



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom (“**UK**”), is duly authorised under the Financial Services and Markets Act 2000 (“**FSMA**”) or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus (“**prospectus**”) relating to National World plc (the “**Company**” or “**National World**”) prepared in accordance with the prospectus regulation rules of the UK Financial Conduct Authority (the “**FCA**”) made under section 73A of FSMA (the “**Prospectus Regulation Rules**”) and approved by the FCA, as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) under section 87A of FSMA. This prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules by being made available, free of charge, at [www.nationalworld.com](http://www.nationalworld.com) and at the Company’s registered office at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT, United Kingdom. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered an endorsement of the issuer that is the subject of this prospectus.

Applications will be made to the FCA for all of the ordinary shares of nominal value 0.1 pence each in the capital of the Company (the “**Ordinary Shares**”) which are issued (the “**Existing Issued Share Capital**”) and to be issued in connection with conditional placing (the “**Placing**”) of 50,000,000 new Ordinary Shares (“**Placing Shares**”) at a price of 10 pence each (the “**Placing Price**”), subject to the terms of an agreement dated 13 September 2019 between the Company, the directors, whose names appear on page 27 (the “**Directors**”) and Dowgate relating to the Placing (the “**Placing Agreement**”) (such Placing Shares, together with the Existing Issued Share Capital constituting the “**Enlarged Issued Share Capital**”) to be admitted to the Official List of the FCA (the “**Official List**”) by way of a standard listing (“**Standard Listing**”) under Chapter 14 of the listing rules of the FCA made under section 73A of FSMA (the “**Listing Rules**”) and to London Stock Exchange plc (the “**London Stock Exchange**”) for such Ordinary Shares to be admitted to trading on the main market for listed securities (“**Main Market**”) of the London Stock Exchange (together, “**Admission**”). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8:00 a.m. on 19 September 2019.

The whole of the text of this prospectus should be read by prospective investors. Your attention is specifically drawn to the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares, as set out in *Part II – Risk Factors* beginning on page 11 of this prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

The Company and the Directors, accept responsibility for the information contained in this prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

# NATIONAL WORLD

## National World plc

*(Incorporated in England and Wales with registered number 12021298)*

**Proposed Placing of 50,000,000 Placing Shares at a Placing Price of 10 pence each**

**Admission to the Official List of 54,000,000 Ordinary Shares of nominal value 0.1 pence each (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange**

**Placing Agent and Financial Adviser**

**Dowgate**  
CAPITAL

Dowgate Capital Limited

**Financial Adviser**  
**ALVARIUM**  
Alvarium MB (UK) Limited

**Financial Adviser**  
**Stanhope Capital**  
Stanhope Capital LLP

This prospectus does not constitute an offer to sell or an invitation to purchase or subscribe for, or the solicitation of an offer or invitation to purchase or subscribe for, Ordinary Shares in any jurisdiction where such an offer or



solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with premium listings on the Official List ("**Premium Listing**"), which are subject to additional obligations under the Listing Rules.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 (the "**US Securities Act**"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws or regulations of such jurisdiction (each, a "**Restricted Jurisdiction**").

The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the US Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940 ("**US Investment Company Act**") pursuant to the exemption provided by Section 3(c)(7) thereof, and Investors will not be entitled to the benefits of the US Investment Company Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed comment upon or endorsed the merits of the Placing or adequacy of this prospectus. Any representations to the contrary is a criminal offence in the United States.

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

Apart from the responsibilities and liabilities, if any, which may be imposed on each of Dowgate Capital Limited ("**Dowgate**" or "**Placing Agent and Financial Adviser**"), in its capacity as placing agent and financial adviser to the Company, Stanhope Capital LLP ("**Stanhope**") and Alvarium MB (UK) Limited ("**Alvarium**") in their respective capacities as financial advisers to the Company (each, a "**Financial Adviser**") by FSMA or the regulatory regime established thereunder, none of Dowgate, Stanhope or Alvarium accept any responsibility whatsoever for, or make any representation or warranty, express or implied, as to the contents of this prospectus or for any other statement made or purported to be made by them, or on their behalf, in connection with the Company, the Ordinary Shares, the Placing or Admission and nothing in this prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of Dowgate, Stanhope and Alvarium accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this prospectus or any such statement.

None of Dowgate, Stanhope, Alvarium or any of their respective representatives, are making any representation to any prospective investor of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult their own legal, financial or tax adviser for legal, financial or tax advice.

Each of Dowgate and Stanhope, which are authorised and regulated by the FCA, and Alvarium, an appointed representative of Alvarium Re Limited which is authorised and regulated by the FCA, is acting exclusively for the Company and for no one else in connection with the production of this prospectus and/or Admission and, in the case of Dowgate only, in connection with the Placing. None of Dowgate, Stanhope or Alvarium will regard any other person as a client in relation to the production of this prospectus and/or Admission, and in the case of Dowgate only, or in relation to the Placing, and none of Dowgate, Stanhope or Alvarium will be responsible to anyone (whether or not a recipient of this prospectus) other than the Company for providing the protections afforded to its clients, or for providing advice in connection with the production of this prospectus and/or Admission, and in the case of Dowgate only, in relation to the Placing, or any other matter, transaction or arrangement referred to in this prospectus.

The date of this prospectus is 16 September 2019.

## Table of Contents

	<i>Page</i>
PART I SUMMARY	4
PART II RISK FACTORS	11
PART III IMPORTANT INFORMATION	22
PART IV EXPECTED TIMETABLE OF PRINCIPAL EVENTS	26
PART V DIRECTORS, AGENTS AND ADVISERS	27
PART VI BUSINESS OVERVIEW	28
PART VII THE COMPANY, BOARD AND STRATEGY	43
PART VIII THE PLACING	47
PART IX SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES	50
PART X FINANCIAL INFORMATION ON THE COMPANY	53
PART XI TAXATION	63
PART XII CONSEQUENCES OF A STANDARD LISTING	65
PART XIII ADDITIONAL INFORMATION	66
PART XIV DEFINITIONS	91
PART XV TERMS AND CONDITIONS OF THE PLACING	96

## PART I

### SUMMARY

This summary is made up of four sections, and contains all the sections required to be included in a summary for this type of securities and issuer.

Even though a sub-section may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the sub-section. In this case, a short description of the sub-section is included in the summary with the mention of “not applicable”.

INTRODUCTION AND WARNINGS	
<b>Name and ISIN of the securities</b>	The securities are the Ordinary Shares, which have the ISIN GB00BJN5J635.
<b>Identity and contact details of the issuer</b>	The issuer is National World plc, and its registered address is at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT, United Kingdom and telephone number is +44 (0)20 7583 8304.
<b>Identity and contact details of the offeror or of the person asking for admission to trading on a regulated market</b>	The Company is the offeror and the person asking for admission to trading of the Ordinary Shares on the Main Market, which is a regulated market.
<b>Date of approval of the prospectus</b>	The prospectus was approved on 16 September 2019.
<b>Identity and contact details of the competent authority approving the prospectus</b>	The competent authority approving the prospectus is the FCA.  The FCA's registered address is at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number is +44 (0)20 7066 1000.
<b>Warnings</b>	<p>This summary should be read as an introduction to the prospectus.</p> <p>Any decision to invest in the Ordinary Shares should be based on consideration of the prospectus as a whole by the investor.</p> <p>The investor could lose all or part of the invested capital.</p> <p>Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>

KEY INFORMATION ON THE ISSUER	
Who is the issuer of the securities?	
<b>Domicile and legal form</b>	<p>The Company was incorporated in England and Wales on 29 May 2019 as a private company with limited liability under the Companies Act 2006 (the “<b>Companies Act</b>”) with an indefinite life, and re-registered as a public limited company on 30 July 2019.</p> <p>The Company's LEI is 213800NL4ICLKYSYU749.</p>
<b>Principal activities</b>	<p>The Company has been formed to pursue opportunities in the news publishing and digital media sector and/or in associated complementary technologies. The Company intends to initially focus on potential acquisition opportunities in the UK and continental Europe but is not limited to these jurisdictions or geographies. Although a number of potential acquisition opportunities have been identified, the Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any opportunity or prospective target company and/or business in the print or digital media sector and/or in associated complementary technologies until after Admission.</p> <p>Following completion of an acquisition, the objective of the Company will be to implement its stated strategy with a view to generating value for its Shareholders.</p> <p>National World will seek to create a leading position in the UK news publishing and digital media sector by implementing a strategy of consolidation of audience reach, digital focus and modernisation.</p> <p>National World believes that the potential exists to aggregate audiences of multiple brands and, ultimately, to establish a new operating model.</p>

	<p>National World will jettison legacy systems and archaic industrial practices to create efficient dissemination of news and to monetise it through matching content to audience.</p> <p>It is possible that the Company may simultaneously execute one or more acquisitions if the Directors reach the view that such acquisitions are complementary and accretive to the Company's overall strategy. The Company's initial acquisition will be deemed a "reverse takeover" for the purposes of the Listing Rules (a "<b>Reverse Takeover</b>"). Any subsequent acquisition may also be deemed to be a Reverse Takeover. It may also be appropriate, dependent on the geography of any opportunity or prospective target company and/or business, for the Ordinary Shares to be additionally listed on a non-UK stock exchange.</p> <p>The Company has engaged Alvarium and Stanhope to assist in identifying and evaluating suitable acquisition candidates, in the news publishing and digital media sector and/or in associated complementary technologies. To date, the Company's efforts have been largely limited to organisational activities as well as activities related to the Placing. The Company may subsequently seek to raise further capital following an acquisition to allow the expedited development of its business if there are commercially compelling reasons to do so.</p> <p>Unless required by applicable law or other regulatory process and subject to the Company having sufficient existing authorisation from Shareholders to issue such number of Ordinary Shares in relation to such acquisition on a non-pre-emptive basis, no Shareholder approval will be sought or required by the Company in relation to an acquisition. Resolutions to grant the Board authorities to issue Ordinary Shares that comply with the Association of British Insurers standard guidelines will be tabled at the first annual general meeting of the Company ("<b>AGM</b>") following Admission.</p> <p>An acquisition will be subject to approval by 75% of the Directors who are present at a quorate meeting of the board of Directors (the "<b>Board</b>"). The determination of the Company's post-acquisition strategy of the Company as enlarged by an acquisition or acquisitions of target businesses or companies, which become its subsidiaries or subsidiary undertakings from time to time (the "<b>Group</b>") will be made at or prior to the time of an acquisition.</p> <p><b>Failure to make an acquisition</b></p> <p>If no acquisition has been announced within two years of Admission, the Board will put proposals to Shareholders to either wind up the Company or to extend the period for identification of a suitable acquisition by a period of a further 12 months.</p> <p><b>Business strategy and execution</b></p> <p>The Directors will draw on their experience, in conjunction with their contacts and advisers, to pursue opportunities in the news publishing and digital media sector and/or in associated complementary technologies.</p>																																																												
Major shareholders	<p>Each of the following persons, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under English Law:</p> <table><thead><tr><th>Name</th><th>Number of Ordinary Shares held as at the date of this prospectus</th><th>Percentage of the Existing Issued Share Capital held as at the date of this prospectus</th><th>Number of Ordinary Shares held immediately following Admission</th><th>Percentage of Enlarged Issued Share Capital held immediately following Admission</th></tr></thead><tbody><tr><td>David Montgomery<sup>1</sup></td><td>1,800,000</td><td>45%</td><td>18,200,000</td><td>33.70%</td></tr><tr><td>Alasdair Locke</td><td>—</td><td>—</td><td>5,000,000</td><td>9.26%</td></tr><tr><td>Canaccord Genuity</td><td>—</td><td>—</td><td>4,750,000</td><td>8.80%</td></tr><tr><td>Vijay Vaghela</td><td>1,800,000</td><td>45%</td><td>3,350,000</td><td>6.20%</td></tr><tr><td>Paul Curtis</td><td>—</td><td>—</td><td>2,695,000</td><td>4.99%</td></tr><tr><td>David Poutney</td><td>—</td><td>—</td><td>2,495,000</td><td>4.62%</td></tr><tr><td>Lorna Tilbian</td><td>—</td><td>—</td><td>1,850,000</td><td>3.43%</td></tr><tr><td>Nigel Spray</td><td>400,000</td><td>10%</td><td>400,000</td><td>0.74%</td></tr><tr><td>Mark Hollinshead</td><td>—</td><td>—</td><td>500,000</td><td>0.93%</td></tr><tr><td>Steve Barber</td><td>—</td><td>—</td><td>500,000</td><td>0.93%</td></tr><tr><td>John Rowe<sup>2</sup></td><td>—</td><td>—</td><td>500,000</td><td>0.93%</td></tr></tbody></table> <p>1 Mr Montgomery's Ordinary Shares are held by Montgomery Media Limited, a private company controlled by him</p> <p>2 Mr Rowe's Ordinary Shares are held by his wife, Lesley Ann Rowe</p>	Name	Number of Ordinary Shares held as at the date of this prospectus	Percentage of the Existing Issued Share Capital held as at the date of this prospectus	Number of Ordinary Shares held immediately following Admission	Percentage of Enlarged Issued Share Capital held immediately following Admission	David Montgomery <sup>1</sup>	1,800,000	45%	18,200,000	33.70%	Alasdair Locke	—	—	5,000,000	9.26%	Canaccord Genuity	—	—	4,750,000	8.80%	Vijay Vaghela	1,800,000	45%	3,350,000	6.20%	Paul Curtis	—	—	2,695,000	4.99%	David Poutney	—	—	2,495,000	4.62%	Lorna Tilbian	—	—	1,850,000	3.43%	Nigel Spray	400,000	10%	400,000	0.74%	Mark Hollinshead	—	—	500,000	0.93%	Steve Barber	—	—	500,000	0.93%	John Rowe <sup>2</sup>	—	—	500,000	0.93%
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Key managing directors	<p>David Montgomery, as Executive Chairman.</p> <p>Vijay Vaghela, as Chief Operating Officer.</p>																																																												
Statutory auditors	<p>Crowe U.K. LLP</p>																																																												

What is the key financial information regarding the issuer?																																																																																							
Selection of historical key financial information	<p>There has been no significant change in the financial condition and operating results of the Company during, or subsequent to, the period covered by the selected historical financial information.</p> <p>The table below sets out the comprehensive income statement of the Company for the period from incorporation of the Company on 29 May 2019 to 25 July 2019. The Company has not yet commenced operations.</p> <p><b>AUDITED STATEMENT OF COMPREHENSIVE INCOME</b></p> <p>The audited statement of comprehensive income of the Company from the date of incorporation on 29 May 2019 to 25 July 2019 is stated below:</p> <table> <tr> <th></th><th style="text-align: right;">Period ended 25 July 2019 £</th></tr> <tr> <td>Total revenue</td><td style="text-align: right;">—</td></tr> <tr> <td>Administrative expenses</td><td style="text-align: right;">—</td></tr> <tr> <td></td><td style="text-align: right;">—</td></tr> <tr> <td>Operating profit</td><td style="text-align: right;">—</td></tr> <tr> <td>Finance income</td><td style="text-align: right;">—</td></tr> <tr> <td></td><td style="text-align: right;">—</td></tr> <tr> <td>Profit for the period and total comprehensive income for the period</td><td style="text-align: right;">—</td></tr> <tr> <td></td><td style="text-align: right;">—</td></tr> <tr> <td>Basic and diluted earnings per Ordinary Share (pence)</td><td style="text-align: right;">—</td></tr> </table> <p><b>AUDITED STATEMENT OF FINANCIAL POSITION</b></p> <p>The audited statement of financial position of the Company as at 25 July 2019 is stated below:</p> <table> <tr> <th></th><th style="text-align: right;">As at 25 July 2019 £</th></tr> <tr> <td><b>ASSETS</b></td><td></td></tr> <tr> <td><b>Current assets</b></td><td></td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;">100,000</td></tr> <tr> <td></td><td style="text-align: right;">—</td></tr> <tr> <td><b>Total assets</b></td><td style="text-align: right;">100,000</td></tr> <tr> <td></td><td style="text-align: right;">—</td></tr> <tr> <td><b>EQUITY AND LIABILITIES</b></td><td></td></tr> <tr> <td>Share capital</td><td style="text-align: right;">4,000</td></tr> <tr> <td>Share premium</td><td style="text-align: right;">96,000</td></tr> <tr> <td>Retained earnings</td><td style="text-align: right;">—</td></tr> <tr> <td></td><td style="text-align: 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£	Total revenue	—	Administrative expenses	—		—	Operating profit	—	Finance income	—		—	Profit for the period and total comprehensive income for the period	—		—	Basic and diluted earnings per Ordinary Share (pence)	—		As at 25 July 2019 £	<b>ASSETS</b>		<b>Current assets</b>		Cash and cash equivalents	100,000		—	<b>Total assets</b>	100,000		—	<b>EQUITY AND LIABILITIES</b>		Share capital	4,000	Share premium	96,000	Retained earnings	—		—	<b>Total equity attributable to owners</b>	100,000		—	<b>Total equity and liabilities</b>	100,000		—	Net financial debt ( <i>long-term debt plus short-term debt minus cash</i> )	(100,000)		Period ended 25 July 2019 £	<b>Cash flows from operating activities</b>		Loss before income tax	—		—	<b>Net cash from operating activities</b>	—		—	<b>Cash flows from financing activities</b>		Cash received from issue of Ordinary Shares	100,000		—	<b>Net cash inflow from financing activities</b>	100,000		—	<b>Net increase in cash and cash equivalents</b>	100,000		—	Cash 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Cash received from issue of Ordinary Shares	100,000																																																																																						
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<b>Net cash inflow from financing activities</b>	100,000																																																																																						
	—																																																																																						
<b>Net increase in cash and cash equivalents</b>	100,000																																																																																						
	—																																																																																						
Cash and cash equivalents at beginning of period	—																																																																																						
	—																																																																																						
<b>Cash and cash equivalents at end of period</b>	100,000																																																																																						



<b>Pro forma financial information</b>	Not applicable. No <i>pro forma</i> financial information is included in this prospectus.
<b>Brief description of any qualifications in the audit report</b>	Not applicable. There are no qualifications in the accountant's report relating to the historical financial information.

<b>What are the key risks that are specific to the issuer?</b>	
<b>Brief description of the most material risk factors specific to the issuer contained in the prospectus</b>	<ul style="list-style-type: none"> <li>The Company is a newly-formed entity with no operating history and although a number of potential acquisition opportunities have been identified, the Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with regard to any opportunity and prospective target company and/or business in the news publishing and digital media sector and/or in associated complementary technologies until after Admission.</li> <li>There may be significant competition in some or all of an acquisition opportunities that the Company may explore, which may cause the Company to be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case.</li> <li>The Company may be unable to complete an acquisition in a timely manner or at all or to fund the operations of the target business if it does not obtain additional funding following completion of an acquisition.</li> <li>The Company may be subject to risks particular to one or more countries in which it ultimately operates (following an acquisition), including regulatory compliance risks and foreign investment and exchange risks. It is anticipated that the Company will invest in businesses/projects in the digital and print media sector and/or in associated complementary technologies.</li> <li>The Company currently has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement the strategy outlined in this prospectus, generate cash flow from the Company's potential investments, and access equity and debt financing markets as the Company grows and develops. Whilst the Directors' are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.</li> <li>The Company may need to raise substantial additional capital in the future to fund any acquisition and future revenues, taxes, capital expenditures and operating expenses will all be factors which will have an impact on the amount of additional capital required. Any additional equity financing may be dilutive to Shareholders and debt financing, while widely available, may involve restrictions on financing and operating activities.</li> <li>The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition and the loss of the services of the Directors could materially adversely affect the Company's strategy or ability to deliver upon it in a timely manner or at all.</li> </ul>

<b>KEY INFORMATION ON THE SECURITIES</b>	
<b>What are the main features of the securities?</b>	
<b>Type, class and ISIN</b>	The securities being offered in the Placing are Ordinary Shares in the capital of the Company. Applications will be made for the Ordinary Shares to be admitted to the Official List of the FCA with a Standard Listing and to trading on the Main Market of the London Stock Exchange. The Ordinary Shares are registered with ISIN GB00BJN5J635, SEDOL code BJN5J63 and TIDM NWOR.
<b>Currency, denomination, par value, number of securities issues and the term of the securities</b>	<p>UK Pounds Sterling with nominal value of 0.1 pence each.</p> <p>4,000,000 Ordinary Shares have been issued at the date of this prospectus (the "<b>Existing Ordinary Shares</b>"), all of which have been fully paid up. The term of the securities is perpetual.</p>
<b>Rights attached to the securities</b>	<p>Shareholders will have the right to receive notice of and to attend and vote at any meetings of Shareholders. Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each Ordinary Share held by such Shareholder.</p> <p>In the case of joint holders of an Ordinary Share, if two or more persons hold an Ordinary Share jointly, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the other joint holders and for this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.</p> <p>Pre-emption rights have been disapplied (in respect of future share issues whether for cash or otherwise) pursuant to a special resolution passed on 25 July 2019.</p> <p>Subject to the Companies Act, on a winding-up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient</p>

	assets available, first to the holders of Ordinary Shares in an amount up to 0.1 pence per share in respect of each fully paid up Ordinary Share. If, following these distributions to holders of Ordinary Shares there are any assets of the Company still available, they shall be distributed to the holders of Ordinary Shares pro rata to the number of such fully paid up Ordinary Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Ordinary Shares.
<b>Relative seniority of the securities in the issuer's capital structure in the event of insolvency</b>	Not applicable. The Company does not have any other securities in issue or liens over its assets and so the Ordinary Shares are not subordinated in the Company's capital structure as at the date of this prospectus, and will not be immediately following Admission.
<b>Restrictions on the free transferability of the securities</b>	Not applicable. The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.  Each Shareholder may transfer all or any of their Ordinary Shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each Shareholder may transfer all or any of their Ordinary Shares which are in uncertificated form by means of a 'relevant system' (i.e., the CREST System) in such manner provided for, and subject as provided in, the Uncertificated Securities Regulations 2001 ( <i>SI 2001 No. 3755</i> ) (the "Regulations").
<b>Dividend or pay-out policy</b>	The Company's current intention is to retain earnings, if any, for use in its business operations and the Company does not anticipate declaring any dividends. The Company intends to pay dividends on the Ordinary Shares following the completion of an acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate. Before an acquisition, the Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws.

#### Where will the securities be traded?

<b>Application for admission to trading</b>	Application will be made for the Ordinary Shares to be admitted to trading on the Main Market of the London Stock Exchange.
<b>Identity of other markets where the securities are or are to be traded</b>	Not applicable. There is currently no market for the Ordinary Shares and the Company does not intend to seek admission to trading of the Ordinary Shares on any market other than the Main Market.

#### What are the key risks specific to the securities?

<b>Brief description of the most material risk factors specific to the securities contained in the prospectus</b>	<ul style="list-style-type: none"> <li>The proposed Standard Listing of the Ordinary Shares will not afford Shareholders the opportunity to vote to approve any acquisition.</li> <li>A suspension or cancellation of the Ordinary Shares, as a result of the FCA determining that there is insufficient information in the market about an acquisition or a target, would materially reduce liquidity in such shares, which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors' shareholdings may be materially reduced.</li> <li>It will be necessary for the Company to apply for re-admission of the Ordinary Shares following completion of an acquisition constituting a Reverse Takeover. A cancellation of the listing of the Ordinary Shares by the FCA would prevent the Company from raising equity finance on the public market, or carrying out a further acquisition using share consideration, restricting its business activities and resulting in incurring unnecessary costs.</li> <li>Further equity capital raisings may be required by the Company in order to complete any acquisition or to develop the business so acquired. If the Company does offer its Ordinary Shares as consideration in making acquisitions, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time.</li> </ul>
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#### KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON THE LONDON STOCK EXCHANGE

##### Under which conditions and timetable can I invest in this security?

<b>General terms and conditions</b>	<p>The Company will issue 50,000,000 Placing Shares through the Placing at the Placing Price of 10 pence per Placing Share. The Placing is not being underwritten.</p> <p>The net proceeds of the Placing, after deduction of expenses, will be approximately £4,600,000 (the "<b>Net Placing Proceeds</b>") on the basis that the gross proceeds of the Placing are £5,000,000.</p>
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	<p>The Company, the Directors and Dowgate have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, Dowgate agreed to use its reasonable endeavours to procure subscribers for 50,000,000 Placing Shares to be issued by the Company. The Placing Shares subscribed for in the Placing at the Placing Price will represent approximately 92.59% of the Enlarged Issued Share Capital.</p> <p>The Placing is conditional on:</p> <p>(A) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and</p> <p>(B) Admission occurring by 8:00 a.m. on 30 September 2019 (or such later date as the Company and Dowgate may agree).</p> <p>The latest time for receiving commitments under the Placing was 5:00 p.m. on 6 August 2019.</p> <p>The Placing Shares will, upon issue, rank <i>pari passu</i> with the Existing Ordinary Shares.</p> <p>If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to applicants in the Placing.</p>
<b>Expected timetable of the offer</b>	<p>Publication of this prospectus 16 September 2019</p> <p>Latest time and date for placing commitments under the Placing 5:00 p.m. on 6 August 2019</p> <p>Admission and commencement of dealings in Ordinary Shares 8:00 a.m. on 19 September 2019</p> <p>CREST members' accounts credited in respect of Placing Shares 19 September 2019</p> <p>Share certificates despatched in respect of Placing Shares by 3 October 2019</p> <p><i>All references to time in this prospectus are to London time, unless otherwise stated. Any changes to the expected timetable will be notified by the Company through an RIS.</i></p>
<b>Details of admission to trading on a regulated market</b>	<p>Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8:00 a.m. on 19 September 2019.</p>
<b>Plan for distribution</b>	<p>The Ordinary Shares which are the subject of this prospectus will be offered by Dowgate exclusively to Qualified Investors and/or Relevant Persons. There will be no offer to the public of the Ordinary Shares and no intermediaries offer.</p>
<b>Amount and percentage of immediate dilution resulting from the offer</b>	<p>Shareholdings immediately prior to Admission will be diluted by approximately 92.6% as a result of Placing Shares issued pursuant to the Placing.</p>
<b>Estimate of total expenses of the issue and/or offer</b>	<p>The expenses of the Placing will be borne by the Company in full and no expenses will be charged to the investor by the Company.</p> <p>These expenses (including commission and expenses payable under the Placing Agreement, registration, listing and admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £400,000 excluding VAT representing approximately 8% of the aggregate of the £5,000,000 in gross proceeds of the Placing.</p> <p>The total Net Placing Proceeds on this basis are approximately £4,600,000.</p>

<b>Why is this prospectus being produced?</b>	
<b>Reasons for the offer or for the admission to trading on a regulated market</b>	<p>The Company is conducting the Placing to raise initial funds to initiate its objective and strategy and is seeking admission to trading on a regulated market to provide liquidity to Shareholders.</p>
<b>Use and estimated net amount of the proceeds</b>	<p>The Company has raised gross proceeds of £5,000,000 pursuant to the Placing, which will be used to pay the expenses of the Placing and Admission and to further the Company's objective and funding acquisitions, financing investment and business strategies. The Net Placing Proceeds will be approximately £4,600,000).</p> <p>Prior to completing an acquisition, the Net Placing Proceeds which will fall over time, being reduced by ongoing operating costs will be held in an interest-bearing deposit account or invested in short term money market fund instruments (as approved by the Directors) and will be used for general corporate purposes, including the Company's ongoing costs and expenses, including legal, financial, technical and operational due diligence costs and other costs of sourcing, reviewing and pursuing an acquisition. The costs and expenses of investigating any particular acquisition opportunity will largely be determined by the nature of the relevant targets, and there is no specific expected target value for an initial acquisition.</p> <p>It is possible that any initial acquisition will be financed using the Net Placing Proceeds, and the Company expects that any funds not used in connection with the</p>

	<p>evaluation and acquisition of such an initial target business will be used for future acquisitions, internal or external growth and expansion, and working capital in relation to the acquired company or business.</p> <p>However in the event that an acquisition presents itself which would require the raising of additional capital (i.e., as the consideration payable is greater than the amount of Net Placing Proceeds remaining at the relevant time), the Directors will consider raising additional equity, debt and/or other financial instruments to finance such an acquisition.</p>
<b>Indication of whether the offer is subject to an underwriting agreement</b>	The Placing is not being underwritten. Dowgate, as the Company's agent, has procured irrevocable commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.
<b>Indication of the most material conflicts of interests relating to the offer or admission to trading</b>	Not applicable.



## PART II

### RISK FACTORS

**Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, risks relating to taxation and risks relating to the Ordinary Shares.**

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in *Part I – Summary* of this prospectus are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in *Part I – Summary* of this prospectus but also, *inter alia*, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this prospectus carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this prospectus were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

#### PART A – RISK FACTORS SPECIFIC AND MATERIAL TO THE COMPANY

##### RISKS RELATING TO THE COMPANY AND ITS ACQUISITION STRATEGY

###### ***The Company is a newly formed entity with no operating history***

The Company is a newly formed entity with no operating results and it will not commence operations prior to obtaining the Net Placing Proceeds on closing of the Placing. The Company lacks an operating history, and therefore investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating a company or business. Although a number of potential acquisition opportunities have been identified, currently, there are no plans, arrangements or understandings with any prospective target company or business. The Company will not generate any revenues from operations unless it completes an acquisition.

Although the Company will seek to evaluate the risks inherent in a particular acquisition of a business in the news publishing and digital media sector and/or in associated complementary technologies, it cannot offer any assurance that it will make a proper discovery or assessment of all of the significant risks. Furthermore, no assurance may be made that an investment in Ordinary Shares will ultimately prove to be more favourable to investors than a direct investment, if such opportunity were available, in any target company or business.

Consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process and subject to the Company having sufficient existing authorisation from Shareholders to issue such number of Ordinary Shares in relation to such acquisition on a non-pre-emptive basis, no Shareholder approval will be sought or required by the Company in relation to an acquisition. The Company will, however, be required to obtain the approval of the Board of at least 75% of the Directors present at a quorate meeting of the Board before it may complete an acquisition. Accordingly, investors will be relying on the Company's and the Directors' ability to identify potential targets, evaluate their merits, conduct or monitor due diligence and conduct negotiations.

###### ***Identifying and acquiring suitable acquisition targets***

Suitable acquisition targets may not always be readily available. If the Company cannot identify and/or complete an acquisition the Company may need to raise further working capital and/or consider winding up of the Company if it transpires that an acquisition strategy is no longer viable.

The Company's initial and future acquisition targets may be delayed or made at a relatively slow rate because, *inter alia*:

- the Company intends to conduct detailed due diligence prior to approving acquisition targets;
- the Company may conduct extensive negotiations in order to secure and facilitate an acquisition targets;
- it may be necessary to establish certain structures in order to facilitate an acquisition target;
- competition from other investors, market conditions or other factors may mean that the Company cannot identify attractive acquisition targets or such acquisition targets may not be available at the rate the Company currently anticipates;
- the Company may be unable to agree on acceptable terms;
- the Company may need to obtain Shareholder approval to issue additional Ordinary Shares to finance any acquisition;
- the Company may be unable to raise bank finance or other sources of finance on terms the Directors consider reasonable; or
- the Company may need to raise further capital to make investments and/or fund the assets or businesses invested in, which may not be achieved.

To secure an acquisition, working capital is required for general expenses and also for due diligence on any such acquisition. These sums can be considerable depending on the nature and location of an acquisition target. Should such funds be expended without securing an acquisition, existing working capital will be denuded. If there are several such occurrences, more working capital would be required.

The Company may require additional funds after the initial 12 months following the date of this prospectus in the event that all existing funds raised in the Placing are spent pursuing acquisitions which eventually do not materialise. Such funds could be depleted due to due diligence costs or legal costs. In the event that the Company does not find a suitable acquisition, the funds may also be depleted on general overheads and company expenses which are incurred trying to identify a suitable acquisition.

***The Company may face significant competition for acquisition opportunities***

There may be significant competition in some or all of an acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, other special purpose acquisition companies and public and private investment funds many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case.

***Any due diligence by the Company in connection with an acquisition may not reveal all relevant considerations or liabilities of the target business, which could have a material adverse effect on the Company's financial condition or results of operations***

The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any potential acquisition. The objective of the due diligence process will be to identify material issues which might affect the decision to proceed with any one particular acquisition target or the consideration payable for an acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning for, and its valuation of, any target company or business. Whilst conducting due diligence and assessing a potential acquisition, the Company will rely on publicly available information, if any, information provided by the relevant target company to the extent such company is willing or able to provide such information and, in some circumstances, third party investigations.

There can be no assurance that the due diligence undertaken with respect to a potential acquisition will reveal all relevant facts that may be necessary to evaluate such acquisition including, the determination of the price the Company may pay for an acquisition target, or to formulate a business strategy. Furthermore, the information provided during due diligence may be incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgments regarding the results of operations, financial condition and prospects of a potential opportunity. If the due diligence investigation fails to correctly identify material issues, including current and future liabilities that may be present in a target company or business, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with an acquisition, the Company may subsequently incur substantial impairment charges or other losses. In addition, following an acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure the acquired company or business in line with the Company's business plan and have a material adverse effect on the Company's financial condition and results of operations.

***Acquisition of controlling interests may not be possible***

The Company's intention is to acquire controlling interests in target businesses however it may be that opportunities to acquire controlling interests may not be possible either initially or at all. The Company does not intend to acquire portfolios of non-controlling interests but may invest where participation in targets may result in enhancing Shareholder value and where the participation of the Company in such targets is active rather than passive. Where non-controlling interests are secured this may limit the Company's operational strategies and reduce its ability to enhance Shareholder value albeit the terms of such participation will be negotiated in such a manner as to entrench the Company's participative interest and value enhancement. In the event that the Company cannot acquire a controlling interest in the target business, this could result in an impairment to the Company's objective and acquisition, financing and business strategies which could have a material adverse effect on the continued development or growth of the acquired company or business.

***The Company may be unable to complete an acquisition or to fund the operations of the target business if it does not obtain additional funding***

Although a number of potential acquisition opportunities have been identified, currently, there are no plans, arrangements or understandings with any prospective target company or business regarding an acquisition and the Company cannot currently predict the amount of additional capital that may be required, once an acquisition has been made, if the target is not sufficiently cash generative, further funds may need to be raised.

Although the Company intends to finance acquisitions primarily through the issue of Ordinary Shares in the Company, if, following an acquisition, the Company's cash reserves are insufficient; the Company may be required to seek additional equity financing. The Company may not receive sufficient support from its existing Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. In the event that the Company pursues debt financing as a means to obtain additional financing, it may be the case that lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all. To the extent that additional equity or debt financing is necessary to complete an acquisition and remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled either to restructure or abandon an acquisition, or proceed with an acquisition on less favourable terms, which may reduce the Company's return on the investment.

Even if additional financing is unnecessary to complete an acquisition, the Company may subsequently require equity or debt financing to implement operational improvements in an acquired business. The failure to secure additional financing or to secure such additional financing on terms acceptable to the Company could have a material adverse effect on the continued development or growth of the acquired business.

***An acquisition may result in adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their status and residence***

Although a number of potential acquisition opportunities have been identified, currently, there are no plans, arrangements or understandings with any prospective target company or business regarding an

acquisition, and as such it is possible that any acquisition structure determined necessary by the Company to complete an acquisition may have adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their individual status and residence.

***Legal, political and economic uncertainty surrounding the planned exit of the UK, from the European Union (“EU”) may increase the Company’s risk profile***

On 23 June 2016, the UK held a referendum in which a majority of the eligible members of the electorate voted for the UK to leave the EU. The UK’s withdrawal from the EU is commonly referred to as Brexit. Pursuant to Article 50 of the Treaty on European Union, the UK will cease to be an EU Member State either on the effective date of a withdrawal agreement (entry into such a withdrawal agreement will require UK parliamentary approval) or, failing that, two years following the UK’s notification of its intention to leave the EU (the “**Brexit Date**”), unless the European Council (together with the UK) unanimously decides to extend the two year period. Given that no formal withdrawal arrangements have been approved by the UK Parliament, there have been several extensions to the Brexit Date and the UK has yet to formally leave the EU. On 11 April 2019, the EU granted the UK a further extension to the Brexit Date until 31 October 2019.

In the absence of a withdrawal agreement approved by the EU and the UK, or a further extension of the Brexit Date, the UK will leave the EU on 31 October 2019 with no formal withdrawal arrangements in place.

The lack of clarity over which EU laws and regulations will continue to be implemented in the UK after Brexit (including financial laws and regulations, tax and free trade agreements, intellectual property rights, data protection laws, supply chain logistics, environmental, health and safety laws and regulations, immigration laws and employment laws) may negatively impact foreign direct investment in the UK, increase costs, depress economic activity and restrict access to capital.

The uncertainty concerning the UK’s legal, political and economic relationship with the EU after Brexit may be a source of instability in the international markets, create significant currency fluctuations, and/or otherwise adversely affect trading agreements or similar cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) beyond the date of Brexit.

If the UK and the EU are unable to negotiate acceptable withdrawal terms or if other EU member states pursue withdrawal, barrier-free access between the UK and other EU member states or among the European Economic Area overall could be diminished or eliminated. The long-term effects of Brexit will depend on any agreements (or lack thereof) between the UK and the EU and, in particular, any arrangements for the UK to retain access to EU markets either during a transitional period or more permanently.

Such a withdrawal from the EU is unprecedented, and it is unclear how the UK’s access to the European single market for goods, capital, services and labour within the EU, or single market, and the wider commercial, legal and regulatory environment, will impact the Company’s UK operations and customers.

***Financing risks***

Although the Company intends to finance any acquisition through the issue of Ordinary Shares where possible, it may be the case that any such acquisition may be partially funded by Ordinary Shares or Ordinary Shares may not be an acceptable proposal to the selling party, and the Company may need to raise substantial additional capital in the future subsequent to the Placing to fund any Acquisition and capital expenditure and operating expenses will all be factors which will have an impact on the amount of additional capital required. Financing alternatives may include debt and additional equity financing, such as the issue of Ordinary Shares, which may be dilutive to Shareholders and in the event that the Company considered obtaining debt financing while widely available, this may involve restrictions on operating activities, future financing, acquisitions and disposals. If the Company is unable to obtain potential additional financing as and when needed, it could result in the Company requiring additional capital from shareholders.



### **Operating risks**

The activities of the Company are subject to all of the hazards and risks normally incidental to media businesses. These risks and uncertainties include, but are not limited to labour disputes, regulatory constraints, litigation or unfavourable operating conditions and losses. Should any of these risks and hazards affect the Company's activities, it may cause the costs to increase to a point where it would no longer be economic to continue the business or require the Company to write-down the carrying value of one or more investments, cause delays; any and all of which may have a material adverse effect on the Company.

### **Implementation risks**

The Company currently has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement the strategy outlined in this prospectus, generate cash flow from the Company's investments, and access equity and debt financing markets as the Company grows and develops. Whilst the Directors' are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.

### **RISKS RELATING TO THE INDUSTRY THAT THE COMPANY INTENDS TO MAKE ACQUISITIONS IN** ***The news publishing and digital media sector is a competitive market (in particular competition from online)***

It is anticipated that the Company will invest in projects in the publishing and digital media sector and/or in associated complementary technologies, but with a particular interest in opportunities which will enable or underpin the new operating model for news publishing adopted by the Company.

Due to a competitive market for news publishing and digital media businesses, the Company may not be able to acquire appropriate assets that are competitively valued and which are essential for the delivery of its strategy.

### ***Impact of further declines in advertising revenue from print media/further declines in newspaper circulation***

Traditional print publishing companies remain structurally challenged with circulation volumes being impacted by audiences migrating to online resulting in continuing declines in the core revenue streams of circulation and advertising. The Company may not be successful in mitigating revenue declines in traditional publishing businesses that it acquires which could result in a material adverse impact on the valuation of the Company's equity.

### ***Risks and costs associated with compliance with data protection regulations and privacy laws***

Prospective target companies or businesses in the news publishing and digital media sector and/or in associated complementary technologies are likely to encounter certain personal data (including name, address, age, bank and other personal data) from individual contacts, journalistic sources and other people in the ordinary course of business, and will be subject to regulations in the jurisdictions in which such companies or businesses operate regarding the use of personal data. Those regulations generally impose certain requirements in respect of the collection, retention, use and processing of such personal information. Specifically in the EU, the EU General Data Protection Regulation (EU) 2016/679 ("GDPR") came into force and has applied directly to the legislation of all EU Member States from 25 May 2018, replacing historical EU data privacy laws.

When making an acquisition, the Company will seek to ensure that, as a matter of due diligence, procedures are in place at the relevant target company or business to comply with the relevant data protection regulations by their people and any third-party service providers, and that security measures have been implemented to help prevent cyber theft, misuse or inadvertent destruction. Notwithstanding such efforts, the Group will be exposed to the risk that such procedures could have been, are at the time of acquisition or going forward may be ineffective and such data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws.

The consequences of being accused or found guilty of any of these or other offences may include time-consuming and expensive investigations, fines, cease-and-desist orders and imprisonment (for individuals) or censure, fines, suspension of business or other sanctions, including revocation of licences and/or registrations with the respective regulatory agencies, criminal penalties and civil

lawsuits (for companies), as well as disruption to the Group's operations or financial systems. Moreover, the reputational damage to the Group's business and brand from such a breach could be severe. The direct and indirect impact of such proceedings could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. Moreover, the Group may not always be able to predict the impact of future legislation and regulation, or changes in the interpretation or operation of existing legislation or regulation. A change to a regulatory framework could lead to increased compliance costs, changes to the Group's structure, the delay or abandonment of any proposed acquisitions or other growth opportunities.

#### **RISKS RELATING TO THE COMPANY FOLLOWING THE COMPLETION OF AN ACQUISITION**

***Even if the Company completes an acquisition, there is no assurance that any operating improvements will be successful or that they will be effective in increasing the valuation of any business acquired***

Following an acquisition, there can be no assurance that the Company will be able to propose and implement effective operational improvements for any company or business which the Company acquires. In addition, even if the Company completes an acquisition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult or impossible to implement. Any failure to implement these operational improvements successfully and/or the failure of these operational improvements to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition.

***If an acquisition is completed, the Company's principal source of operating cash will be income received from the business it has acquired***

If an acquisition is completed, the Company will be dependent on the income generated by the acquired business to meet the Company's expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such subsidiary's results of operations and financial condition, limits on dividends under applicable law, its constitutional documents, documents governing any indebtedness of the Company, and other factors which may be outside the control of the Company. If the acquired business is unable to generate sufficient cash flow, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

***The Company expects that it will initially acquire a controlling interest in a single company or business which will increase the risk of loss associated with underperforming assets***

The Company expects that if an initial acquisition is completed, its business risk will be concentrated in a single company or business unless or until any additional acquisitions are made. A consequence of this is that returns for Shareholders may be adversely affected if growth in the value of the initial acquired business is not achieved or if the value of the initial acquired business or any of its material assets subsequently are written down. Accordingly, investors should be aware that the risk of investing in the Company could be greater than investing in an entity which owns or operates a range of businesses and businesses in a range of sectors. The Company's future performance and ability to achieve positive returns for Shareholders may be solely dependent on the subsequent performance of the initial acquired business. There can be no assurance that the Company will be able to propose effective operational and restructuring strategies for any company or business which the Company acquires and, to the extent that such strategies are proposed, there can be no assurance they will be implemented effectively.

***The Company has not identified any particular geographic regions (save for initial regions of the United Kingdom and continental Europe) in which it will seek to acquire a target company or business and may be subject to risks particular to one or more countries in which it ultimately operates, which could negatively impact its operations***

The Company's efforts in identifying a prospective target company or business in the news publishing and digital media sector and/or in associated complementary technologies are not limited to a particular geographic region. However, the initial focus of the Company shall be prospective targets in the United Kingdom and continental Europe. The Company may therefore acquire a target company or business in, or with substantial operations in, a number of jurisdictions, any of which may expose it to considerations or risks associated with companies operating in such jurisdictions, including but not

limited to: regulatory and political uncertainty; tariffs, trade barriers and regulations related to customs and import/export matters; international tax issues, such as lax law changes and variations in tax laws; cultural and language differences; rules and regulations on currency conversion or corporate withholding taxes on individuals; currency fluctuations and exchange controls; employment regulations; crime, strikes, riots, civil disturbances, terrorist attacks and wars; and deterioration of relevant political relations. Any exposure to such risks due to the countries in which the Company operates following an acquisition could negatively impact the Company's operations.

## **RISKS RELATING TO THE COMPANY'S DIRECTORS AND SENIOR MANAGERS**

***The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute an acquisition and the loss of the services of any of the Directors could materially adversely affect it***

The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute an acquisition. The unexpected loss of the services of the Directors (or any of them) could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute on acquisition.

***The Company may be unable to hire or retain personnel required to support the Company after an acquisition***

Following completion of an acquisition, the Company will evaluate the personnel of the acquired business and may determine that it requires increased support to operate and manage the acquired business in accordance with the Company's overall business strategy. There can be no assurance that existing personnel of the acquired business will be adequate or qualified to carry out the Company's strategy or that the Company will be able to hire or retain experienced, qualified employees to carry out the Company's strategy.

***There is no assurance that the Company will identify suitable acquisition opportunities in a timely manner or at all which could result in a loss on your investment***

The success of the Company's business strategy is dependent on its ability to identify sufficient suitable acquisition opportunities. The Company cannot estimate how long it will take to identify suitable acquisition opportunities or whether it will be able to identify any suitable acquisition opportunities at all within two years after the date of Admission.

If the Company fails to complete a proposed acquisition (for example, because it has been outbid by a competitor) it may be left with substantial unrecovered transaction costs, potentially including legal, financial advisory fees and expenses, accounting costs, due diligence or other expenses. Furthermore, even if an agreement is reached relating to a proposed acquisition, the Company may fail to complete such acquisition for reasons beyond its control. Any such event will result in a loss to the Company of the related costs incurred, which could materially adversely affect subsequent attempts to identify and acquire another target business in the sector.

It is the intention of the Directors that, in the event that no acquisition has been announced within two years of Admission, the Board will put proposals to Shareholders to either wind-up the Company or to extend the period for identification of a suitable acquisition by a period of a further 12 months. In the event that it is resolved that the Company be liquidated, there can be no assurance as to the particular amount or value of the remaining assets at the time of any such distribution either as a result of costs from an unsuccessful acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost of the liquidation and the dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation, such costs and expenses will result in investors receiving less than the initial Placing Price of 10 pence per Ordinary Share and investors who acquired Ordinary Shares after Admission potentially receiving less than they invested.

Prior to the completion of an acquisition, the Net Placing Proceeds, which will fall as reduced by ongoing operating costs, together with the £100,000 from the Subscription (anticipated to be approximately £4,600,000), will be held in an interest bearing deposit account or invested in short term money market instruments (as approved by the Directors). Interest on the Net Placing Proceeds so

deposited may be significantly lower than the potential returns on the Net Placing Proceeds, had the Company completed an acquisition sooner or deposited or held the money in other manners.

## **PART B – RISK FACTORS SPECIFIC AND MATERIAL TO THE ORDINARY SHARES**

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

#### ***No pre-emption rights and indebtedness related liquidity***

Although the Company will receive the Net Placing Proceeds, the Directors anticipate that the Company may issue a substantial number of additional Ordinary Shares, or incur substantial indebtedness to complete one or more acquisitions.

Shareholders do not initially have the benefit of pre-emption rights in respect of the issues of future shares, which may be issued to facilitate any acquisitions and for other purposes. In addition, the Company may issue shares or convertible debt securities or incur substantial indebtedness to complete an acquisition, which may dilute the interests of Shareholders.

Any issue of Ordinary Shares, preferred shares or convertible debt securities may:

- significantly dilute the value of the Ordinary Shares held by existing Shareholders;
- cause a change of control (“**Change of Control**”) if a substantial number of Ordinary Shares are issued, which may, *inter alia*:
  - result in the resignation or removal of one or more of the Directors; and
  - in certain circumstances, have the effect of delaying or preventing a Change of Control;
- subordinate the rights of holders of Ordinary Shares if preferred shares are issued with rights senior to those of Ordinary Shares; or
- adversely affect the market prices of the Company’s Ordinary Shares.

If Ordinary Shares, preferred shares or convertible debt securities are issued as consideration for an acquisition, existing Shareholders will have no pre-emptive rights with regard to the securities that are issued. The issue of such Ordinary Shares, preferred shares or convertible debt securities is likely to materially dilute the value of the Ordinary Shares held by existing Shareholders. Where a target company has an existing large shareholder, an issue of Ordinary Shares, preferred shares or convertible debt securities as consideration may result in such shareholder subsequently holding a significant or majority stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding) and could lead to a Change of Control.

If the Company were to incur substantial indebtedness in relation to an acquisition, this could result in:

- default and foreclosure on the Company’s assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;
- acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions;
- a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand; or
- an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

The occurrence of any or a combination of these factors could decrease an investor’s ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.



***Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends prior to making an initial acquisition***

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends following (but not before) making an initial acquisition, at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

***Restrictions on offering Ordinary Shares as consideration for an acquisition or requirements to provide alternative consideration***

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as consideration for an acquisition which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly which may have an adverse effect on the results of operations of the Company.

**RISKS RELATING TO THE ADMISSION OF THE ORDINARY SHARES**

***The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing***

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules as more fully outlined in *Part XII – Consequences of a Standard Listing* of this prospectus.

***The Company may be unable to seek admission to a Premium Listing or other appropriate listing venue following an acquisition***

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Upon completion of its initial acquisition, the Company's Standard Listing will be cancelled and it will be treated as a new applicant. The Directors may then seek admission either to a Premium Listing or other appropriate listing, based on, *inter alia*, the track record of the Company or business it acquires, and to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that the Company will qualify for a Premium Listing or other appropriate listing (e.g., a Standard Listing). For example, such eligibility criteria may not be met, if the Company acquires less than a controlling interest in the target. In addition there may be a delay, which could be significant, between the completion of an acquisition and the date upon which the Company is able to seek or achieve a Premium Listing or a listing on another stock exchange.

If the Company does not achieve, or is not capable of achieving, a Premium Listing or the Directors decide, subject to eligibility, upon a Standard Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would mean that the Company could be operating a substantial business but would not need to comply with such higher standards as a Premium Listing provides. Alternatively, in addition to, or in lieu of seeking a Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

***If the Company proposes making an acquisition and the FCA determines that there is insufficient information in the market about an acquisition or the target, the Company's Ordinary Shares may be suspended from listing or cancelled and may not be readmitted to listing thereafter, which will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them***

An acquisition, if it occurs, will be treated as a Reverse Takeover.

Generally, when a Reverse Takeover is announced or leaked, there will be insufficient publicly available information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately. In this case, the FCA will often consider that suspension of the listing of the listed company's securities will be appropriate. The London Stock Exchange will suspend the trading in the listed company's securities if the listing of such securities has been suspended by the FCA. However, if the FCA is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the listed company that a suspension is not required. The FCA will generally be satisfied that a suspension is not required in the following circumstances: (i) the target company is admitted to listing on a regulated market or another exchange where the disclosure requirements in relation to financial information and inside information are not materially different than the disclosure requirements under the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of FSMA (the "**Disclosure Guidance and Transparency Rules**" or "**DTRs**"); or (ii) the issuer is able to fill any information gap at the time of announcing the terms of the transaction, including the disclosure of relevant financial information in relation to the target and a description of the target.

If information regarding a significant proposed transaction were to leak to the market, or the Board considered that there were good reasons for announcing the transaction at a time when it was unable to provide the market with sufficient information regarding the impact of an acquisition on its financial position, the Ordinary Shares may be suspended. Any such suspension would be likely to continue until sufficient financial information on the transaction was made public. Depending on the nature of the transaction (or proposed transaction) and the stage at which it is leaked or announced, it may take a substantial period of time to compile the relevant information, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide under the Disclosure Guidance and Transparency Rules and the Listing Rules (e.g., where the target business is not itself already subject to a public disclosure regime), and the period during which the Ordinary Shares would be suspended may therefore be significant.

Furthermore, the Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a Reverse Takeover. In such circumstances, the Company will be required to seek admission to listing as a new applicant either simultaneously with completion of any such acquisition or as soon thereafter as is possible but there is no guarantee that such re-admission would be granted.

A suspension or cancellation of the listing of the Ordinary Shares would materially reduce liquidity in such shares which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation.

***There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the Main Market of the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares***

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior market history when making their decision to invest. The price of the Ordinary Shares after Admission also can vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should trade on the Main Market of the London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

***Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

***Compliance costs***

The costs to the Company of complying with the continuing obligations under the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules will be financially significant due to the Company's relatively small size and these costs might prove financially onerous.

The Company's listing might be cancelled if the Company fails to comply with its continuing obligations under the Listing Rules.

**RISKS RELATING TO TAXATION**

***Taxation of returns from assets located outside of the UK may reduce any net return to investors***

To the extent that the assets, company or business which the Company acquires is or are established outside the UK, it is possible that any return the Company receives from it may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

***Changes in tax law and practice may reduce any net returns for investors***

The tax treatment of Shareholders of the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in England and Wales or any other relevant jurisdiction. Any change may reduce any net return derived by investors from a shareholding in the Company.

Investors should not rely on the general guide to taxation set out in this prospectus and should seek their own specialist advice. The tax rates referred to in this prospectus are those currently applicable and they are subject to change.

***There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner***

It is intended that the Company will structure the group, including any company or business acquired, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (either on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

## PART III

### IMPORTANT INFORMATION

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

#### General

No action has been or will be taken in any other jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this prospectus or any other offering material in any other country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This prospectus does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This prospectus has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the Prospectus Regulation. No arrangement has however been made with the competent authority in any other member states of the European Economic Area (“EEA”) (“**EEA Member States**”) (or any other jurisdiction) for the use of this prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this prospectus may be prohibited in Restricted Jurisdictions and in countries other than those in relation to which notices are given below.

#### Withdrawal rights

In the event that the Company is required to publish any supplementary prospectus, applicants who have applied to subscribe for or purchase Placing Shares in the Placing will have at least two business days (i.e., any day (other than a Saturday or Sunday) or an English bank or public holiday (each, a “**Business Day**”)) following the publication of the supplementary prospectus within which to withdraw their offer to acquire Placing Shares in the Placing in its entirety. If the application is not withdrawn within the stipulated period, any offer to apply for Placing Shares in the Placing will remain valid and binding.

Details of how to withdraw an application will be made available if a supplementary prospectus is published. Any supplementary prospectus will be published in accordance with the Prospectus Regulation Rules (and notification thereof will be made to a Regulatory Information Service) but will not be distributed to investors individually. Any such supplementary prospectus will be published in printed form and available free of charge at the Company’s registered office at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT, United Kingdom and (subject to certain restrictions) on the Company’s website at [www.nationalworld.com](http://www.nationalworld.com) until 14 days after Admission.

#### For the attention of all investors

In deciding whether or not to invest in Ordinary Shares, prospective Placees should rely only on the information contained in this prospectus. No person has been authorised to give any information or make any representations other than as contained in this prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or Dowgate. Without prejudice to the Company’s obligations under the FSMA, the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery of this prospectus, nor any subscription made under this prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this prospectus or that the information in this prospectus is correct as at any time after its date.



In making an investment decision, prospective investors must rely on their own examination of the Company, this prospectus and the terms of the Placing, including the merits and risks involved. The contents of this prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter.

Prospective investors must rely upon their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective and acquisition, financing and business strategies will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

This prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company's articles of association (the "**Articles**"), which prospective investors should review. A summary of the Articles is set out in paragraph 4 of *Part XIII – Additional Information* of this prospectus and a copy of the Articles is available for inspection at the Company's registered office, 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT.

### **Information to distributors**

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

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

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

### **Selling restrictions**

The distribution of this prospectus and the offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this prospectus or any other offering material in

any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this prospectus comes should inform themselves about and observe any restrictions on the distribution of this prospectus and the offer of Ordinary Shares contained in this prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This prospectus does not constitute an offer to subscribe for or purchase any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

### ***United States***

The Ordinary Shares have not been and will not be registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States.

The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the US Securities Act. There will be no public offer in the United States.

The Company has not been and will not be registered under the US Investment Company Act pursuant to the exemption provided by Section 3(c)(7) thereof, and Investors will not be entitled to the benefits of the US Investment Company Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed comment upon or endorsed the merits of the Placing or adequacy of this prospectus. Any representations to the contrary is a criminal offence in the United States.

### ***European Economic Area***

Pursuant to the Prospectus Regulation, an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in an EEA Member State of in accordance with the Prospectus Regulation. For any other EEA Member State an offer to the public in that EEA Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that EEA Member State:

- (a) to any legal entity which is a Qualified Investor, within the meaning of Article 2(e) of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than Qualified Investors, within the meaning of Article 2(e) of the Prospectus Regulation) in such EEA Member State subject to obtaining prior consent of the Company for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed with Dowgate and the Company that it is a “**Qualified Investor**” within the meaning of Article 2(e) of the Prospectus Regulation.

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

This prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any EEA Member State in which such offer or invitation would be unlawful.

The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

### **United Kingdom**

This prospectus comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

This prospectus is being distributed only to and is directed at persons who (if they are in the EEA) will fall within one of the categories of persons set out above in the paragraph entitled 'For the attention of EEA investors'. In addition, this prospectus is being distributed only to and is directed at persons in the UK who are: (i) persons having professional experience in matters relating to investments falling within the definition of 'investment professionals' in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (the "**Order**"); or (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order; or (iii) persons to whom it may otherwise be lawful to distribute.

### **Forward-looking statements**

This prospectus includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should' or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, *inter alia*: (i) the Company's objective, acquisition, financing and business strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this prospectus. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review *Part II – Risk Factors* of this prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading "Forward-looking statements" constitutes a qualification of the working capital statement set out in paragraph 7 of *Part XIII – Additional Information* of this prospectus.

Forward-looking statements contained in this prospectus apply only as at the date of this prospectus. Subject to any obligations under the Listing Rules, the Market Abuse Regulation (EU 596/2014) (the "**Market Abuse Regulation**"), the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

## PART IV

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this prospectus	16 September 2019
Latest time and date for placing commitments under the Placing	5:00 p.m. on 6 August 2019
Admission and commencement of dealings in Ordinary Shares	8:00 a.m. on 19 September 2019
CREST members' accounts credited in respect of Placing Shares	19 September 2019
Share certificates despatched in respect of Placing Shares	by 3 October 2019

All references to time in this prospectus are to London time, unless otherwise stated. Any changes to the expected timetable will be notified by the Company through an RIS.

### ADMISSION AND PLACING STATISTICS

Number of Existing Ordinary Shares in issue prior to the Placing	4,000,000
Total number of Placing Shares in the Placing	50,000,000
Enlarged Issued Share Capital following the Placing and Admission	54,000,000
Placing Price per Placing Share	£0.10
Estimated Net Placing Proceeds receivable by the Company	approximately £4,600,000
Market capitalisation at the Placing Price <sup>(1)</sup>	approximately £5,400,000
Placing Shares as a percentage of Enlarged Issued Share Capital	92.59%

(1) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Placing Price.

### DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	GB00BJN5J635
SEDOL code	BJN5J63
TIDM	NWOR

## PART V

### DIRECTORS, AGENTS AND ADVISERS

Directors	David Montgomery ( <i>Executive Chairman</i> ) Vijay Vaghela ( <i>Chief Operating Officer</i> ) Mark Hollinshead ( <i>Non-Executive Director</i> ) John Rowe ( <i>Non-Executive Director</i> ) Steve Barber ( <i>Non-Executive Director</i> )
Company Secretary	Vijay Vaghela
Registered Office	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT United Kingdom
Placing Agent and Financial Adviser	Dowgate Capital Limited 15 Fetter Lane London EC4A 1BW United Kingdom
Financial Advisers	Alvarium MB (UK) Limited 10 Old Burlington Street London W1S 3AG United Kingdom  Stanhope Capital LLP 35 Portman Square Marylebone London W1H 6LR United Kingdom
Auditors and Reporting Accountants	Crowe U.K. LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH United Kingdom
Solicitors to the Company	Cooley (UK) LLP Dashwood 69 Old Broad Street London EC2M 1QS United Kingdom
Solicitors to Placing Agent and Financial Adviser	Locke Lord (UK) LLP 201 Bishopsgate Second Floor London EC2M 3AB United Kingdom
Registrar	Link Market Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
PR Advisers	Montfort Communications Limited 2nd Floor, Berkeley Square House Berkeley Square London W1J 6BD United Kingdom



## PART VI

### BUSINESS OVERVIEW

#### 1. Introduction

The Company was incorporated in England and Wales on 29 May 2019 as a private company with limited liability under the Companies Act with registered number 12021298 and re-registered as a public limited company on 30 July 2019. The Company's LEI is 213800NL4ICLKYSYU749.

The Company was set up by David Montgomery to pursue opportunities in the news publishing and digital media sector and/or in associated complementary technologies. Vijay Vaghela joined the Company in July 2019 following his retirement from Reach.

David Montgomery and Vijay Vaghela have many years of experience in the news publishing and digital media sector. The Company intends to implement a new business model to focus on digital content and revenues and reducing costs by sharing services.

On Admission, the Company will be authorised to issue one class of Ordinary Shares. It is intended that the Ordinary Shares will be admitted by the FCA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the Main Market of the London Stock Exchange.

#### 2. Mission statement

"The objective is to create a modern platform for news publishing by implementing a new operating model powered by the latest technology.

National World will jettison legacy systems and archaic industrial practices to create efficient dissemination of news and to monetise it through matching content to audience."

#### 3. Company strategy

##### **Background**

In 2012 David Montgomery founded Local World Limited ("**Local World**") which acquired certain UK assets and regional newspaper titles in January 2013 from Daily Mail and General Trust plc ("**DMGT**") and Yattendon Group plc, which is controlled by the Iliffe family ("**Iliffe**"). The consideration for the DMGT assets was £80 million (funded by bank debt and the issue of £53.3 million in shares for cash) and the consideration of the Iliffe assets was £14.6 million funded by the issue of shares.

Local World was funded by a number of investors and its major shareholders were: DMGT (38.7%); Iliffe (21.3%); and Trinity Mirror plc ("**Trinity Mirror**") (20%), which supplied services to Local World.

Local World published over 100 UK regional newspaper titles and associated websites, with a strategy of maximising content, digital and advertising synergies (the implementation and oversight of which involved both Mr Montgomery and Mr Vaghela) between historically independent businesses.

Local World was a single company example of value creation in the face of revenue decline, and was sold in November 2015 to Reach plc (formerly Trinity Mirror) ("**Reach**") to secure an exit for its shareholders and delivered a total return to its investors of approximately four times their original investment.

From incorporation to the time of its sale to Reach, the digital audience of Local World increased by approximately five times and its digital revenues increased by 20%, and Local World in the period from January 2013 to November 2015 generated an increase in its equity value of 289%.

The Company intends to repeat the commercial strategy used by Local World but on a larger scale and to a wider range of media assets. It will seek to acquire both historic and more recently established news brands together with the technology to change the business model for print and digital news publishing with the dual objective of combining continued cost reduction with sustained online revenue growth.

### ***Objective***

National World will seek to create a leading position in the UK news publishing and digital media sector by implementing a strategy of consolidation of audience reach, digital focus and modernisation.

National World believes that the potential exists to aggregate audiences of multiple brands and, ultimately, to establish a new operating model.

### ***National World strategy***

The background to the National World strategy is the traditional news publishing sector's continuing decline. Despite long term falls in newspaper readership and the shifts in consumer behaviour, the news publishing industry operating model still remains largely unchanged. The Directors have observed that the common strategy in the sector is to continue to focus on cost efficiencies to combat and offset print revenue decline in order to support profits. The Directors consider this strategy can only be sustained for a relatively short period of time and that the more important strategic issue is to address the changes in news dissemination and consumption. It is clear that newspaper content has migrated, and continues to migrate, online but often in a fragmented and uncontrolled manner. Despite a large and loyal audience many traditional publishers and creators of content have, so far, failed to design and install an effective means of managing and, more importantly, monetising digital distribution channels and platforms.

Accordingly National World has been established with the intention of acquiring a number of media and digital technology assets (including publishing assets) to develop and deploy its new operating model. The strategy also accommodates services provision to industry partners as an alternative to transfer of ownership, and may involve the Company entering into contractual or corporate joint ventures.

National World's strategy will involve consolidation and change by combining acquired digital technology innovation and traditional print assets in a new industry model designed to grow revenues by aggregation of audiences and reduce costs via shared services. This will include a consolidated operating platform for multiple media brands that provides a system for content management, digital sales and content dissemination facilities capable of serving many publishers across all news segments and platforms.

As the operating model can be applied to many territories the Company will not be limited to particular geographic regions. However, the initial focus will be to invest in the UK and continental Europe.

In selecting acquisition opportunities, the Board will focus on:

- traditional media assets where opportunities exist to implement the new strategy and there is the prospect of adding considerable value; and
- new technologies to enable and accelerate implementation of the change strategy.

### ***New operating model***

The Company intends to emulate news publishing platforms in the United States and the UK magazine market by:

- establishing a single, global cloud based platform, allowing for multi user online news publishing of reliable news content;
- aggregating the digital audience to match the scale of social media; accelerating revenue growth from digital audience with enhanced monetisation tools;
- harnessing technology to enable transformation of the news publishing operating model; and
- effecting a radical overhaul of costs through increased collaboration in the industry, such as by establishing a shared facilities operation to service the Company's own operations and those of other content providers.

A multi-user online news publishing platform should address a number weaknesses in the current industry model:

- currently the individual publisher-owned platforms lack scale, have limited user data and low revenue growth;
- Facebook/Google reap up to 8x revenue per user of news publishers<sup>1</sup>; and
- the majority of on line advertisements are programmatic and low cost.

A single scaled platform with aggregated audience, targeted content and enhanced data offers a solution.

There are also opportunities for further revenue from personalisation, content search and transaction driven revenues in addition to potential content subscriptions and rich data.

Investment in the new platform will allow centralised sourcing of common or generic content including: text, pictures and videos. By using a single platform with automated production individual brands will be able focus on unique content and maintain brand identity.

The digitised systems provided by in-house technology and/or partnerships operated with National World should allow the generation of enriched data (content ranking) and informed online content.

In addition to a common online platform to reduce the cost of production of content and to monetise the content it is also intended to establish a collaborative operating model for historic print. This will involve an independently managed infrastructure provider serving multiple publishers with:

- print;
- distribution;
- purchasing;
- information technology;
- finance and administration;
- property; and
- regulation.

### ***Modernisation of the news publishing industry***

Directors have observed that UK advertising expenditure continues to grow and online is capturing an increasing share of the spend. At the same time the consumption of news is also on the rise and yet news publishers are not getting a share of advertising proportionate to their growing audience.

The Company considers that the reasons for this include that news publishing content is sourced and disseminated in a random and wholesale manner and judgments on the popularity and relevance of content continues to be made on the basis of the editor's instinct and understanding of the user. There have been limited attempts to orchestrate a matching of content to individual consumers and therefore much expensively produced content goes to waste. In turn this prompts advertisers to employ the programmatic model for buying news publishing audience pushing down the yields to publishers because much of the online spend falls on stony ground.

Despite this the consumption of news is growing and therefore so is the potential to monetise content serving the online and on mobile audience.

The challenge is to stop advertisers taking advantage of fragmented news provision by multiple publishers, most of whom give free and uncontrolled access.

While traditional offline news outlets are subject to advertiser complaints that they do not attract young readers or viewers, there is a growing audience of young consumers who consume online news. These young consumers are not only sought after by advertisers but also belong to a generation accustomed to paying for content and already subscribing to multiple online services.

Directors believe this opportunity for news publishing to capture digital users and to transact with them can be realised by various means. The solution requires scale and a single aggregated audience that consumes relevant content and so can be more precisely targeted by advertisers therefore increasing yields. The technology that provides rich data on the audience not only informs on the user's propensity to buy goods and services but also brings subscription and transaction capability.

The technology tools embedded in National World as a core capability would give the potential to serve multiple publishers whether wholly owned by the company or in partnership with the company and would facilitate sustained online revenue growth.

There are other key components that the Company would seek to embed in its core functions in order to supply the news publishing sector. These include automated content management systems that would source and supply all platforms across the sector that would greatly reduce duplicated costs. The Company would seek to develop live video news that are, at present, absent from much of news publishing and also to rationalise network sales across all platforms. The above functions are managed today by individual publishers with multiple variations of technology and suppliers which sustain production structures that evolved in the middle of the last century.

Replacing the plethora of suppliers to news publishers with a single modern infrastructure is the key to modernisation.

In conclusion, the National World new operating model combines the following:

- modernisation through the acquisition of technology that can serve multiple publishers within a single infrastructure;
- optimisation of revenue, both advertising and eventually subscription, through scale and rich data by matching content to audience;
- digitisation across all functions to eliminate unfocused content and automate industrial processes;
- consolidation of facilities to eliminate duplication of costs;
- collaboration to create a single scalable platform through acquisition and partnerships; and
- transformation to deliver a sustainable news publishing model which is boosted by online growth and a radical reform of the cost base.

### ***Acquisition strategy***

Following completion of any acquisition, the Company intends to operate the acquired businesses and implement its strategy with a view to generating value for its Shareholders. This strategy is likely to involve additional complementary acquisitions.

The Company's investments or acquisitions may be in companies, partnerships, special purpose vehicles, joint ventures or direct interests in new digital applications or traditional publishing media assets where the Directors believe the opportunity exists to apply the strategy and achieve improved financial returns. The Company will be focused on those acquisitions that offer, either a material shareholding and/or management control.

Following an acquisition and in the event that any subsequent acquisition is deemed a Reverse Takeover, the Company intends to seek re-admission of the Group to listing on the Official List and trading on the Main Market of the London Stock Exchange or admission to another stock exchange dependent upon the nature of the acquisition and its stage of development.

The Company initially intends to deliver Shareholder returns through capital growth but may, in the medium term, be in a position to distribute income via dividends.

### ***Geography***






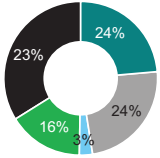
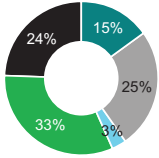
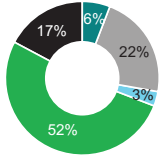
As set out above, the Company will initially focus on businesses located in the UK and continental Europe.

## 5. Market background

### *The current state of the newspaper sector*

Since 2008 UK newspaper print circulation has halved from 11.5 million daily copies in 2008 to 5.8 million in 2018 and for local papers from 63.4 million weekly in 2007 to 31.4 million weekly in 2017<sup>2</sup>. Between 2007 and 2017 the number of local and regional newspapers has dropped from 1,303 to 982<sup>3</sup>. With a rapidly changing media world, news reaches people through many new channels, and existing publications have often had to compete with digital media. This factor alone prompted the UK government to set up the Cairncross review (published in 2019) to investigate the overall state of the news market, threats to financial sustainability, the role and impact of digital search engines and social media platforms, how content and data flows are operated and managed and the role of digital advertising.

The table below shows some of the major shift in the demographic data affecting the print news industry and the migration to digital:

	2007	2012	2017
Number of Daily National Newspapers	10	11	10 (not including the Daily Record)
Number of Local and Regional Newspapers measured by ABC	1,303	1,086	982
Newspaper Print Advertising Expenditure (£m)	£4,625 million	£2,651 million	£1,432 million
Newspaper Digital Advertising Expend. (£m)	N.A.	£284 million	£487 million
Share of advertising market, by media Newspapers  Television  Radio  Online  Other 			
Average Daily Circulation, National Newspapers (Weekday)	11.2 million	8.8 million	6.1 million
Average Weekly Circulation, Local/Regional Newspapers	63.4 million	43.9 million	31.4 million
Circulation Revenues	£2.2 billion	£1.9 billion	£1.7 billion
Number of front-line journalists employed by news brands	c23,000	c19,000	c17,000
Broadband penetration (HHs)	52%	76%	83%
Smartphone penetration (Adults)	0%	39%	76%
Tablet penetration (HHs)	0%	11%	58%
% UK adults who used the internet to access social networks	N/A	48%	66%
% UK adults who used the internet to read online news	20%	47%	64%
% of UK adults for whom newspapers are the main source of news	27%	13%	9%
% of UK adults for whom the internet is the main source of news	4%	21%	37%

Source: – Mediatique, DCMS, *Overview of Recent Dynamics in the UK Press Market*, April 2018 p. 5.

### **Recent trends**

2018 was a challenging year for national newspapers, circulation fell by over 10% during the year to just over 1.8 billion<sup>4</sup>. This is its highest rate of decline in recent years and was nearly double the drop seen in 2016 (when the EU referendum helped reduce the rate of decline in newspaper purchases somewhat). Mintel predicts that the high rates of decline will continue, with circulation dropping by 35% to 1.2 billion between 2018 and 2023<sup>5</sup>.



In June 2018 three major national newspaper groups, News UK, Guardian News and Media and the Telegraph Media Group, announced that they were joining forces to create a new on line advertising sales platform, The Ozone Project, which Reach joined in September 2018. By joining forces the publishers are attempting to gain the scale necessary to compete with the likes of Facebook and Google that currently command a significant share of UK digital advertising revenue.

An additional development in recent years has been the growing importance of audio media, such as podcasts. According to a recent Mintel study, nearly one in five (18%) online national newspaper readers listen to one or more national newspaper podcasts at least once a week, increasing to 27% among 16-34 year-olds and 26% among those from socio-economic group A (as defined by ABC).<sup>6</sup>

Some 13% of people from socio-economic group A who visit online national newspapers listen to more than one national newspaper podcast a week. Nearly half (44%) of people who visit online national newspapers agree that using voice activation services (e.g., Alexa) is/would be a helpful way to find out news from national newspapers, rising to 59% among 16-24-year-olds.<sup>7</sup>

ABC's national print newspaper data shows little difference in the rate of decline across types of newspapers, both in terms of sector and day. This highlights how the print media sector is impacted by changing media and news habits from which no type of newspaper is immune.<sup>8</sup>

#### DAILY NATIONAL NEWSPAPERS' AVERAGE PRINT CIRCULATION PER ISSUE 2016-2018

	2016		2017		2018		2017-18
	000	%	000	%	000	%	% change
The Sun	1,627	26.3	1,486	26.3	1,377	27.2	-7.3
Daily Mirror	692	11.2	581	10.3	501	9.9	-13.8
Daily Star	434	7.0	375	6.6	322	6.3	-14.1
Daily Record	168	2.7	146	2.6	126	2.5	-13.7
<b>Total popular</b>	<b>2,921</b>	<b>47.2</b>	<b>2,588</b>	<b>45.8</b>	<b>2,327</b>	<b>45.9</b>	<b>-10.1</b>
Daily Mail	1,436	23.2	1,334	23.6	1,193	23.5	-10.6
Daily Express	400	6.5	370	6.6	332	6.5	-10.3
<b>Total mid-market</b>	<b>1,836</b>	<b>29.7</b>	<b>1,704</b>	<b>30.2</b>	<b>1,525</b>	<b>30.1</b>	<b>-10.5</b>
The Daily Telegraph	459	7.4	449	8.0	360	7.1	-19.8
The Times	419	6.8	430	7.6	411	8.1	-4.4
i	281	4.5	265	4.7	247	4.9	-6.8
The Guardian	161	2.6	149	2.6	139	2.7	-6.7
Financial Times	61	1.0	60	1.1	63	1.2	+5.0
The Independent*	54	0.9	—	—	—	—	—
<b>Total quality</b>	<b>1,435</b>	<b>23.2</b>	<b>1,353</b>	<b>24.0</b>	<b>1,219</b>	<b>24.0</b>	<b>-9.9</b>
<b>Total</b>	<b>6,192</b>	<b>100.0</b>	<b>5,645</b>	<b>100.0</b>	<b>5,071</b>	<b>100.0</b>	<b>-10.2</b>

\* ceased print publication in 2016

Source: Mintel, National Newspapers, UK, February 2019, ABC/Mintel

#### **Consumer attitude and behaviour has been driven by technology**

In the past two decades, the news publishing industry, and the provision of news as a whole, has gone through considerable change, driven by shifts in consumer behaviour and preferences, and by technological innovation (distribution and devices, in and out of the home) particularly among younger age groups.

Consumers are now able to access news via multiple means from a wide variety of sources (often at no cost). Increasingly, news is also mediated by social and search platforms, which, despite the availability of tools and practices to help publishers monetise their content on their platforms, do not necessarily compensate the original producers of much of the news journalism reproduced online. While the UK newspaper industry is still of a significant size, traditional consumption, via print products, has declined as users migrate to online propositions.

These changes have severely impaired news brands' traditional revenue streams (circulation and print advertising). New opportunities arising from digital technologies have not compensated for the losses suffered in print revenues. Circulation declines have had two impacts; a drop in unit sales that cover

price increases have not fully offset; and a decline in advertising revenues reflecting lower readership. While all key news brands have developed an online presence, it has proved difficult to find sustainable paid-for models as robust as those of the analogue past. Moreover, digital advertising yields a fraction of the average revenue per user newspapers formerly generated via its print readers.

### ***Impact on the sector***

The nature of the challenge is illustrated by the drop in newspaper advertising revenues (excluding digital) which has declined across the national and regional/local press by 70% in the last 10 years, from £4.6 billion in 2007 to an estimated £1.4 billion in 2017<sup>9</sup>.

The newspaper industry had circulation<sup>10</sup> and net advertising revenues<sup>11</sup> of about £6.1 billion in 2007 (and around 25% of total gross advertising expenditure in the UK); by 2017, total core (circulation and net advertising) revenues were £3.3 billion, including digital advertising<sup>12</sup>. Excluding digital, expenditure on news brand print advertising had fallen to £1.4 billion, or 6% of total advertising expenditure<sup>13</sup>.

Margins have reduced markedly (from in excess of 30% for some local and regional groups prior to the 2008 recession to margins in the teens at best for most of those titles that are in profit); many other titles including a number of local and regional titles in less populous areas – make a financial loss<sup>14</sup>.

More than two-thirds of global advertising spend growth from 2012 to 2016 come from Facebook and Google.<sup>30</sup>

### ***The sector's response to date***

News publishing groups have attempted to counteract revenue declines with a range of strategic responses, including scale-building, cost-cutting and diversification. The press industry, and in particular the local and regional press, has as a consequence witnessed a period of significant consolidation. Consolidated groups can use scale to compete more efficiently by spreading overhead costs and investing strategically.

Cost-cutting has focused on back-office efficiencies, pooling resources centrally and using digital-first/digital-only strategies to minimise distribution costs while maximising reach. For local and regional newspapers, especially those owned by the largest groups (e.g., Reach, Newsquest, Johnston Press), there has been more pressure to close titles in regions outside cities, consolidate titles regionally and in some cases set up common content hubs to serve many titles. There has also been a reduction in the number of journalists – from an estimated 23,000 full-time positions industry wide in 2007 to around 17,000 today<sup>15</sup>.

Scale-building and cost-cutting have been employed to sustain profitability in the short term. For others, these remedies proved unavailable or ineffective; there have been 321 local and regional title closures in the face of these pressures between 2007 and 2016<sup>16</sup>.

All national newspapers have established an online presence, with some adopting subscription models. The majority of UK local news websites are free to access and consumers have demonstrably lower willingness to pay for news online, in particular local news. However, a major obstacle to the development of a pay model for local news online has traditionally been the lack of technical expertise, the cost required to set up the technology which would permit online subscriptions or similar pay models and the uniqueness of the content and site that would attract consumers to pay for content.

Setting up a news website, maintaining it, updating it regularly and managing its design and functionality – in addition to dealing with issues around security, data capture, file hosting, and more complex tasks such as video hosting, placement of banners, registration and log-in and paywall erection – require significant investment. In addition traditional newsroom skills and technology may not be applicable to internet delivery of news, necessitating a requirement for significant investment in skills and technology. Larger publishers have broadly been able to exploit their economies of scale to build and develop their digital infrastructure; however smaller publishers – and in particular independent news brands – have faced higher barriers to entry in the digital news marketplace. Experiments conducted in the UK by local and regional newspaper publishers to make news content available behind a subscription or paid basis have been limited and at times unsuccessful, even if some have been able to increase their digital advertising revenues, directly and via ad exchanges.

### **Asset ownership and structure**

The newspaper industry in the UK has two distinct categories national and local/regional press. The National category is characterised by the definitions: (i) “Quality” (The Times, Guardian, Daily Telegraph), (ii); “Mid-market” (the Daily Mail and Daily Express); and (iii) “Popular” (including The Sun, Daily Mirror and Daily Star, but excluding the Daily Record). In addition to these paid for national newspapers, the Metro, a free newspaper is distributed daily in London and key metropolitan markets across the UK. The Local/Regional market has a combination of daily, weekly paid for and free newspapers.

In 2018 an average of 73.5 million newspapers circulated every week; about 42.1 million copies (57%) were national titles and 31.4 million (43%) local or regional titles<sup>17</sup>. The total advertising expenditure on news brands (print and digital) in 2017 was £1.9 billion, with print advertising representing 75% of that (£1.4 billion)<sup>18</sup>.

In terms of ownership model, the national press presents three main categories:

- **Consolidated, publicly traded publishers:** this includes Reach, News UK (a subsidiary of News Corporation), DMGT and Nikkei (*The Financial Times*).
- **Privately owned publishers:** this includes the Telegraph Media Group, ESI Media – in as much as it publishes the Independent, now a digital-only publication, the Evening Standard and JPi Media (formerly Johnston Press plc, and now independently run by its former bondholders), publisher of the i. These publishers tend to have multiple national publications. These titles are owned by individual groups or families – e.g., Lebedev Holdings in the case of ESI Media, or the Barclay family in the case of Telegraph Media Group.
- **Trust ownership:** the obvious relevant example is the Guardian Media Group, which is owned by the Scott Trust, a private company whose core purpose is “to ensure the financial and editorial independence of The Guardian in perpetuity”. The Scott Trust manages an investment portfolio of about £1 billion, and its constitution requires it to reinvest all of its profits into Guardian Media Group’s journalism.

The internet has proven a very effective distribution platform for national news, and indeed all national newspapers have an established an online (including mobile) presence, which contributes to expanding traditional news brands’ reach among the UK population.

Between October 2016 and September 2017, across the main national news brands, the average uplift in monthly reach generated by online consumption was more than threefold (329%), with non-print reach representing on average 71% of total reach. Thanks to this online uplift, some titles with lower print circulation – *The Guardian* in particular – are able to reach much larger segments of the UK population<sup>19</sup>.

Mobile (i.e., smartphone and tablet), in particular, has become the single largest contributor to national news brands’ reach in the UK, representing an average of 68% of national news brands’ reach; mobile-only reach contributes more than half (56%) of this. Mobile also drives most of the traffic to traditional news brands’ websites, with smartphone and tablet combined accounting for 64% of all traffic<sup>20</sup>.

At the local and regional level, there are five main types of publishers in terms of ownership model:

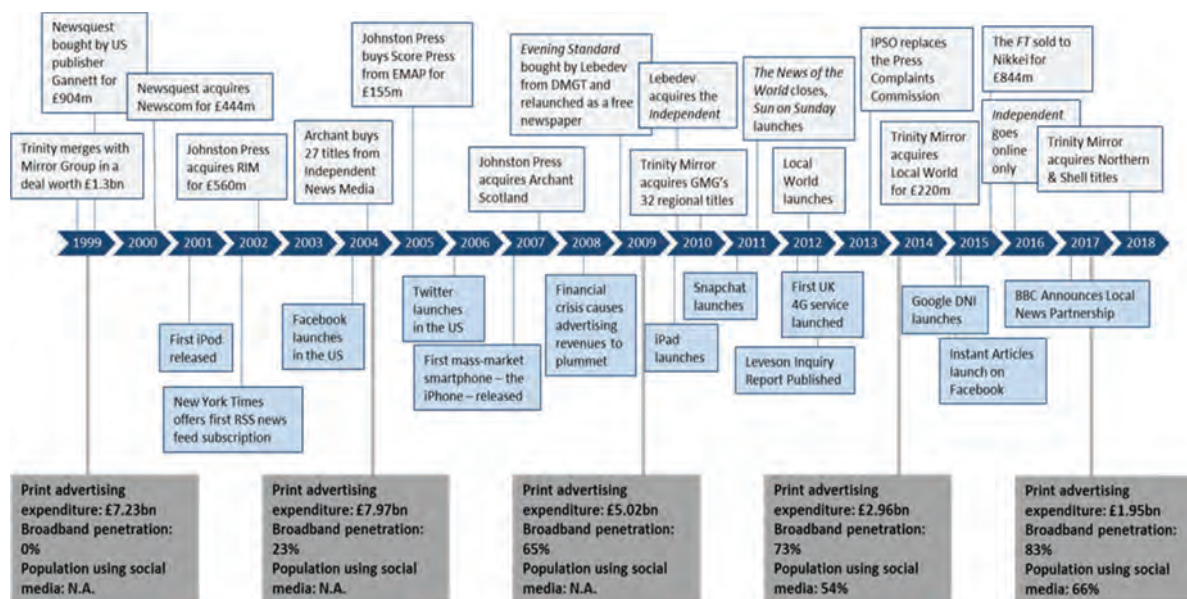
- **Consolidated, publicly traded companies:** this includes Reach (29% market share by circulation<sup>21</sup>) and Newsquest, a subsidiary of US listed company Gannett Inc. (13%), which taken together represent 39% of the total number of local and regional titles and 51% of the total circulation of local and regional newspapers in the UK. Each of these groups control a wide variety of titles located across the UK, of varying size, frequency and distribution model;
- **Mid-size, multi-regional, privately owned publishers:** this includes Archant (4% market share by circulation), JPi Media (now independently run by its former bondholders) (9%) and Tindle (2%)<sup>22</sup>, accounting respectively for 61 and 88 local newspapers distributed across a number of UK regions. These two groups are materially smaller than the larger groups mentioned above, but still account for significantly more than the categories below. The type of titles published by these groups varies widely, although Tindle does not publish any daily newspapers, and the daily newspapers published by Archant tend to be in smaller cities;
- **Family-owned, regional publishers:** this includes publishers such as Iliffe, which now owns Kent Messenger (1% market share by circulation), the MNA (2%), and Bullivant Media (1%), each of them controlling between 10 and 30 local newspaper titles, largely localised in one region or part of the UK<sup>23</sup>. Titles published by groups in this category tend to be more homogeneous – typically weekly in frequency, with a fair balance between paid and free titles;
- **Small, independent publishers:** this includes the remaining publishers of local and regional newspapers in the UK, each of which publishes one or just a few titles, typically covering one city or small area. However, these groups account for a very small proportion of the average weekly circulation in the UK; and
- **Trust ownership:** while used extensively the past to protect local and regional titles in the event of a sale, there are now very few examples of the trust model operating in this segment (e.g., Maidenhead Advertiser).

Consumption of material online from local and regional news brands varies by group. The largest groups manage to reach significant portions of the UK online population, with JPi Media delivering about 1.2 million unique daily browsers in the six months to December 2017<sup>24</sup>, and the Reach regionals reaching around 4.7 million unique daily browsers in the six months to September 2017<sup>25</sup>. By comparison, the Kent Messenger Network – whose total average weekly newspaper circulation is around 2% of that of Reach and 7% of that of JPi Media – reached an average of 161,000 unique daily browsers in the last six months of 2017<sup>26</sup>.

### ***Current dynamics in the regional and national press market***

The news publishing sector has gone through a process of evolution and disruption over the past 10 years, as circulation and readership declines have led to sharply lower revenues, particularly from advertising. Users continue to migrate to new platforms; and even when they engage with news brands online, the advertising yields for publishers are much lower than in analogue print. At the aggregate level, Deloitte, in work commissioned by the National Media Association, estimates that one print reader is worth eight digital users.

The news publishing sector has been much transformed from its characteristics of the pre-internet era. The pace of change has accelerated since 2007, particularly from the threat of digital, which has not only encouraged users to migrate to new online services but also diverted advertising income (classified and then display) away from traditional print. The timetable below provides a summary of the main events occurring over the past 20 years in the UK news publishing industry:



### Other external factors

The Company considers that a number of factors have impacted newspaper publishers.

The internet (fixed line and, more recently, mobile) has increased competition between news brands and changed how news is consumed. The consequences of these changes on traditional publishing's business models have not been addressed.

With healthy profit margins – especially for local newspaper publishers – these trends were generally manageable, and consolidation was an effective strategy to achieve efficiencies and counter the reductions in revenue caused by lower circulation as was the ability to increase cover prices to offset circulation declines. Few publishers have invested adequately in innovation preferring to support profits through cost cutting or consolidation to mitigate lost revenue

The Edelman Trust Barometer data suggests that 61% of UK adults trusted 'traditional media' in 2018. This is a 13% increase relative to the previous year, potentially reflecting recent concerns about news delivered via platforms as opposed to traditional news brands<sup>27</sup>.

### Digital news consumption

More than two fifths (44%) of adults claim to consume news via social media. Of these:

- approximately three quarters (76%) claim to use Facebook for news, followed by Twitter (32%), then WhatsApp (22%) and Instagram (21%);
- 16-24s are more likely than those aged 65+ to use most social media channels for news;
- 16-24s are also more likely to claim to mostly get their news from 'social media posts' rather than 'directly from news organisations';
- across the social media sites, news is most likely to be accessed via 'stories that are trending', followed by 'seeing comments from friends/people I follow' and 'links to stories';
- the British Broadcasting Corporation ("**BBC**") is the most commonly followed news organisation across all the social media platforms (32-37%); and



- the majority of social media news users say they know the source of their news stories 'some' or 'most' of the time<sup>28</sup>.

BBC is the most commonly followed news organisation across all social media platforms asked about, followed by ITV and Sky News on Facebook, Twitter and Instagram; and BuzzFeed and the Daily Mail on SnapChat<sup>29</sup>.

The Cairncross review on the sustainability of newspapers published in February 2019 included evidence from across the news publishing industry regarding the BBC. Ofcom has now ordered a review of the BBC's impact on online news on other providers.

*News organisations followed on social media – 2018: Accessing news organisations via each type of social media*

facebook		twitter		Instagram		SnapChat	
BBC	37%	BBC	36%	BBC	32%	BBC	33%
ITV/ITV	21%	Sky News	19%	Sky News	17%	BuzzFeed	25%
Sky News	19%	ITV/ITV	14%	ITV/ITV	13%	The Daily Mail	17%
LADbible	12%	The	9%	BuzzFeed	11%	ITV/ITV Wales/STV/UTV	16%
YouTube	11%	Channel 4	8%	Channel 4	10%	Sky News	15%
BuzzFeed	11%	CNN	8%	LADbible	9%	Channel 4	12%
Channel 4	9%	YouTube	7%	CNN	7%	The Sun	10%
Huffington Post	8%	LADbible	6%	YouTube	7%	CNN	10%
The Daily Mail	7%	Huffington Post	6%			The Telegraph	9%
Local newspaper	7%	BuzzFeed	6%			LADbible	9%
The Sun	7%	The Daily Mail	6%			YouTube	7%
CNN	7%					NBC News	7%
The	7%					The Financial Times	6%
						The Evening Standard	6%

### ***The National World concept in context***

The core of the business will be reliable professionally generated content often under a historic brand. However, the current model employed by much of news publishing does not present that content in a form that can attract subscription revenues. Nor does the audience command a premium from advertisers despite the attractiveness of the content and the audience.

National World will address both these challenges by investing in technology that transforms both the cost base and the revenue earning potential of news publishing.

The Directors expect that the National World model will be attractive to third party customers in addition to servicing its owned assets.

### ***New Operating Model***

National World intends to assemble a group of news publishing assets and acquire or license the technology to address: online applications, content and multi-platform sales management.

Where possible, cash generated from the reduction of duplicated costs will be invested to grow the online audience to a greatly increased scale.

National World will also seek to recruit an industrial partner to assist with the deployment of the platform and the development of a subscription model. Given the shrinking of the news publishing market in comparison to social media the financial and commercial case for combining online and offline services to support multiple news publishing brands should offer the potential of attractive returns.

## 5. Capital and returns management

The Company has raised gross proceeds of £5,000,000 from the Placing and £100,000 from the Subscription before the expenses of the Placing of £400,000 (excluding VAT).

The Directors believe that, following an acquisition, further equity capital raisings may be required by the Company to accelerate the development of the assets acquired in any acquisition (but not to achieve the objective of identifying and completing such an acquisition). The amount of any such additional equity to be raised, which could be substantial, will depend on the nature of an acquisition opportunities which arise and the form of consideration the Company uses to make any acquisition and cannot be determined at this time.

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy set out below.

If no acquisition has been announced within two years of Admission, Shareholders will be given the opportunity to vote to extend the period in which to identify a relevant acquisition for 12 months or to wind up the Company and return unused cash assets to Shareholders. In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. A special resolution will be required to voluntarily wind-up the Company or to extend the period in which the Company may seek an acquisition opportunity.

## 6. Dividend policy

The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends before an acquisition nor has it paid any dividends previously. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

## 7. Corporate governance

In order to implement its business strategy, the Company has adopted a corporate governance structure more fully outlined in *Part VII – The Company, Board and Structure* of this prospectus. The key features of its structure are:

- a five member board, with three independent non-executive Directors (Mark Hollinshead, Steve Barber and John Rowe) together with David Montgomery and Vijay Vaghela, who are the directors charged with implementation of the acquisition strategy;
- David Montgomery and Vijay Vaghela have agreed to spend such hours engaged in the Company's affairs as may be necessary for the proper performance of their duties. The Board is knowledgeable and experienced and has extensive experience of both making acquisitions in the print and media sector, and of associated complementary technologies, and implementing and managing radical changes to strategy and working practices;
- consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process and subject to the Company having sufficient existing authorisation from Shareholders to issue Ordinary Shares on a non-pre-emptive basis, no Shareholder approval will be sought by the Company in relation to an acquisition, Shareholder approval will not be required in order for the Company to complete an acquisition. The Company will, however, be required to obtain the approval of the Board of at least 75% of the Directors present at a quorate meeting of the Board before it may complete an acquisition; and
- the Board intends to comply, so far as it is practicable for a 'special purpose acquisition vehicle', with certain main principles of the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time (the "**UK Corporate Governance Code**") (as set out in more detail in *Part VII – The Company, Board and Strategy* of this prospectus). Compliance with the provisions of the UK Corporate Governance Code is being undertaken on a voluntary basis, and the FCA will not have the authority to monitor the Company's voluntary compliance with the UK Corporate Governance Code or to impose sanctions in respect of any breaches.

## 8. Structure

The Company will initially be a single corporate entity with no subsidiaries until an acquisition is completed.

## 9. Regulatory environment

### ***Broadcast Media***

The Office of Communications (“**Ofcom**”) controls the statutory regulation of commercial television and radio stations in the UK, and also the British Broadcasting Corporation. Ofcom also regulates video-on-demand and the airwaves over which wireless devices operate.

Ofcom regulates how the programmes are transmitted and programme content (including journalism). Ofcom’s powers include fining media organisations for breaching regulations and closing down illegal ‘pirate’ broadcasters, and commercial broadcasters where necessary.

The Ofcom Broadcasting Code, the latest edition of which covers all programmes broadcast since 3 April 2017, provides ethical rules which broadcast journalists must adhere to, or face sanctions from their employers. One crucial requirement of the Ofcom Broadcasting Code is that all broadcast journalists must produce politically impartial content although, this does not require them to be politically impartial themselves.

Ofcom’s objective is to protect consumers and citizens from, for instance, distortion of the facts to manipulate the public’s view of the news. It also seeks to protect from encouraging any form of violence or tension and transmitting pornographic and other unsuitable material to children, for example, by imposing a watershed.

The Ofcom Broadcasting Code also reflects Ofcom’s duty to prohibit the broadcast of material that is likely to incite crime or disorder, and its responsibility in respect of religious broadcasting.

### ***Printed media and the press***

There have been seven investigations into the UK press industry over the past seventy years. The seventh – the Leveson Inquiry – concluded in 2012. The previous investigation had led to the industry creating the Press Complaints Commission to regulate its activity under the Editors Code. But Leveson found that the Editors Code had “simply been ignored”.

The conclusion of Part I of the inquiry in 2012 confirmed widespread wrongdoing within the sector, and resulted in criminal convictions and a new Royal Charter on press regulation, following which independent regulators, the Independent Press Standards Organisation (“**IPSO**”) and IMPRESS were set up.

IMPRESS is the only the only regulator to have achieved recognition. Over 100 publishers have chosen to submit to IMPRESS’s regime, including Salisbury nerve agent investigator, Bellingcat, ‘new left media’ outlet, The SkwawkBox, and PoliticsMeansPolitics.com. But these are not the newspapers that can be purchased through newsagents or supermarkets. The traditional tabloid newspapers and several upmarket titles, including the Times and the Telegraph, have chosen to be regulated by IPSO.

IPSO hasn’t sought recognition by the Press Recognition Panel (“**PRP**”) because IPSO fails to satisfy several key criteria for recognition. It is too tightly controlled by the press to satisfy the PRP and, more crucially for members of the public, IPSO has a complex investigatory regime and does not require its members to agree to low-cost arbitration to resolve libel claims and other grievances

There have been several recent attempts to force a reopening of the issue by seeking amendments to related legislation, for example earlier in 2019 an amendment tabled by the Labour MPs Tom Watson and Liam Byrne, sought to impose punitive legal costs on media organisations which refuse to be recognised by Impress, the officially sanctioned press regulator.

### ***Social media***

The Cairncross review, led by Dame Frances Cairncross, concluded that intervention by a state regulator “may be needed to assess the quality of online news”. Dame Frances said such a regulator would not be an arbiter of news quality – a move that would be likely to draw fierce opposition from

newspaper publishers – but would instead oversee adherence to a “code of conduct” that could govern commercial relationships between platforms and publishers over the distribution of news content.

In April 2019 the UK proposed a new set of regulations for social media companies and the setting up of a regulator to police online reforms, that might levy fines, block sites and prosecute senior management for companies that fail to protect their users.

The regulator will initially be funded by industry, but the government says it is considering setting up an industry levy to make it sustainable in the long term.

### ***Merger control***

UK merger control is governed by the Enterprise Act 2002 (“**Enterprise Act**”), as amended by the Enterprise and Regulatory Reform Act 2013 (“**ERRA**”). The ERRA came into force on 1 April 2014.

The Competition and Markets Authority (“**CMA**”) took over the competition (and some consumer) functions of the Office of Fair Trading (“**OFT**”) and the Competition Commission (“**CC**”) on 1 April 2014. The OFT and the CC were abolished at the same time. The CMA conducts both the initial Phase 1 examination of mergers and the more detailed Phase 2 investigation and final determination. Certain CMA decisions can be appealed to the Competition Appeal Tribunal.

A joint venture may constitute a relevant merger situation under the Enterprise Act if previously distinct business activities come under common control (that is, more than one shareholder has “control” as defined by the Enterprise Act).

There are also three broad ‘public interest’ areas where the appropriate Secretary of State can issue an ‘Intervention Notice’ so that (s)he takes the appropriate decision rather than the CMA. These include matters concerning media plurality and broadcasting standards, that is the need for:

- accurate presentation of news;
- the free expression of opinion in newspapers;
- plurality of newspaper editorial views;
- plurality of media ownership;
- high varied and high quality broadcasting; and
- media owners to be committed to attaining high broadcasting standards.

## **10. Sources of information and statistical information**

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12. Expenditure (as reported by AA/WARC) is gross of commission; revenues accruing to the news brands is net of commission (assumed at a rate of 15% consistent with industry practice): Mediatique, DCMS: Overview of Recent Dynamics in the UK Press Market, April 2018, p.37.

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21. Mediatique, DCMS: Overview of Recent Dynamics in the UK Press Market, April 2018, p.14.
22. Mediatique, DCMS: Overview of Recent Dynamics in the UK Press Market, April 2018, p.15.
23. Mediatique, DCMS: Overview of Recent Dynamics in the UK Press Market, April 2018, p.15.
24. Mediatique, DCMS: Overview of Recent Dynamics in the UK Press Market, April 2018, p.16.
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28. Ofcom, News Consumption in the UK: 2018, November/December 2017 and March/April 2018 p.46.
29. Ofcom, News Consumption in the UK: 2018, November/December 2017 and March/April 2018 p.57.
30. Digiday: The Global State of digital advertising in 5 Charts, 3 May 2017.



## PART VII

### THE COMPANY, BOARD AND STRATEGY

#### The Company

The Company was incorporated on 29 May 2019 as a private company with limited liability under the Companies Act and re-registered as a public company on 30 July 2019.

The Company's issued share capital will, on Admission, consist of Ordinary Shares. It is intended that the Ordinary Shares will be admitted by the FCA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the Main Market of the London Stock Exchange.

#### The Directors

The Board, collectively, has significant experience in the news publishing and digital media sector, and in associated complementary technologies, and significant experience of managing public companies and risks associated with such ventures both operationally and financially.

Details of the Directors are listed below.

#### **David Montgomery** (age 70) – *Executive Chairman*

David John Montgomery has a long history in the newspaper industry. Most recently, he was chief executive of Local World, an aggregator in the regional news area which was acquired by Reach (formerly Trinity Mirror) in 2015. Local World had been formed in 2013 by a merger of regional media companies of DMGT and the Yattendon Group, publishing around 100 regional print titles and associated websites.

David served as an editor of News of the World and as an editor and managing director of Today newspaper. He founded Mecom Group in 2000 and served as its chief executive until January 2011. At Mecom Group, he worked on a number of acquisitions to establish one of the leading European publishing and content businesses, delivered substantial cost savings and began to develop a new, flexible operating model fit to take commercial advantage of on-going changes in consumer behaviour, which saw particular success at Edda Media in Norway.

Prior to Mecom, David was chief executive officer of Mirror Group from 1992 to 1999, where he oversaw substantial restructuring and acquisitions culminating in its merger with Trinity to become Trinity Mirror.

David served as a director at the Press Association from 1996 to 1999, RSDB (one of Europe's largest print businesses) from 2006 to 2009, Royal Wegener (a large Dutch news publisher) from 2007 to 2011, and Scottish Television from 1994 to 1998. He graduated from Queen's University, Belfast in History and Politics.

#### **Vijay Vaghela** (age 52) – *Chief Operating Officer*

Vijay Lakhman Vaghela was most recently group finance director of Reach (formerly known as Trinity Mirror), he held this position from May 2003 until his resignation on 1 March 2019; he also served as group company secretary. Prior to this, Vijay was director of accounting and treasury. Vijay served as the interim chief executive officer of Trinity Mirror from June 2012 to August 2012. From 1994 to 1999, Vijay held various roles at Mirror Group plc, including Head of Internal Audit and Group Treasurer.

Vijay was a non-executive director and chair of the audit and risk committee of Local World Holdings Limited between 2013 and 2015 and was a member of the audit committee of the Football Association for six years from 2011 to 2017.

Vijay is a Chartered Accountant and member of the Institute of Chartered Accountants of England and Wales.

**Mark Hollinshead (age 59) – Non-Executive Director**

Mark Thomas Hollinshead has been involved in media and business all of his working life. He is currently chief executive of Hollicom, a consultancy business which he founded in 2017.

Mark was the youngest ever managing director of the Daily Record and Sunday Mail and ran that business for 14 years from 1998 to 2012. He was appointed managing director of Mirror Group Newspapers in 2008, while continuing to manage the Scottish publishing business, and subsequently took up the role of chief operating officer and director of Trinity Mirror, in charge of all publishing activity for over 200 news brands – both digital and in print. In 2015 Mark was appointed CEO of the Great Run Company a position he held until 2017. The Great Run Company is one of Europe's largest mass participation events businesses with events such as the Great North Run, Great Scottish Run and Great Manchester Run.

In addition to his executive positions, Mark was also was chairman of Scottish Athletics from 2005 to 2008, president of the Scottish Newspaper Society from 2003 to 2005, and a non-executive director of the News Media Alliance from 2009 to 2015.

Mark is a strategic adviser to Dentsu Aegis Network North, a division of Dentsu Aegis the world leading digital performance agency.

**John Rowe (age 62) – Non-Executive Director**

John Rowe is chairman and chief executive officer of Clicksco Group. He invested in Clicksco Group in 2008 and was appointed non-executive chairman at that time. In November 2011, he became chief executive officer and controlling shareholder of the Clicksco Group and has grown the business to annual sales of over £80 million.

John began his career at PricewaterhouseCoopers in 1979 and then worked at Sainsburys from 1983 to 2001 where he finished as managing director of International Operations. John passionately believes that key to a successful business is the ability to truly understand its customers, and that the data insights available online can be used to transform the relationship between brands and customers. Hence since 2001, he has advised various investors on online retailing through the better use of data.

**Steve Barber (age 67) – Non-Executive Director**

Stephen (Steve) David Barber has been an independent non-executive director of a number of listed and private companies over the past decade.

Since June 2018, he has been chairman of the audit committee of AA plc and he is also currently a director of Fenwick Limited. Previously, he was a director and chairman of the audit committee of Next plc from 2007 to 2017 and also served as a director and chairman of the audit committee of Domino's Pizza Group plc from 2015 to April 2019.

Prior to becoming a non-executive director, Steve was a senior partner at Price Waterhouse where he led the Entertainment, Media and Communications group (1973-98), the chief financial officer of Mirror Group plc (1998-99) and subsequently a partner in Ernst & Young (2001-04).

In the private arena, Steve has been chairman of the Design Objectives Group (2013-18), the founder of AFC Energy plc, the founder of The Objectivity Partnership LLP, the chief operating officer of the Palladian Group and a director of a number of start-ups. Steve is a member of the steering group of the Audit Quality Forum and is a graduate of the London School of Economics.

**Director remuneration**

Prior to the Company completing an acquisition, the executive directors will be paid a salary of £5,000 each per annum and the non-executive directors will be paid a salary of £3,000 each per annum, but, for the avoidance of doubt, neither the executive directors nor the non-executive directors will receive any other fee from the Company until the Company completes an initial acquisition.

The Company has established a remuneration committee of the Board (the "**Remuneration Committee**") which will meet to set appropriate compensation packages for the executive Directors.

No amounts have been set aside by the Company to provide for pension, retirement or similar benefits.

## **Value Creation Plan**

The Company's remuneration policy will seek to provide a strong and clear link between business strategy and incentive arrangements. The Value Creation Plan ("**VCP**") put in place on Admission is intended to support the delivery of our strategy, to retain the lead executives and reward them for driving its successful delivery. The VCP will be the company's sole long-term incentive plan in the initial period following Admission.

The VCP will operate over a performance period commencing on Admission and ending on the date of publication of the Company's results for the financial year ending 31 December 2022 (the "**Performance Period End Date**"). The VCP is intended to give plan participants an entitlement to a percentage share in a pool of returns delivered to Shareholders above a hurdle rate of return to be awarded as nominal cost options ordinarily vesting on the 21st dealing day following the Performance Period End Date ("**Vesting Date**") over a number of Ordinary Shares determined immediately prior to the Vesting Date. The initial base Ordinary Share price for the VCP is the Placing Price. A two-year holding period will apply to vested awards if the Company is admitted to a Premium Listing at the Vesting Date.

The overall effect of the VCP is that the participants together will be able to earn Ordinary Shares equivalent in value to 10% of any equity value created above an 8% compound annual growth rate based on the measurement of absolute total shareholder return generated over the VCP performance period. In other words, until shareholders receive an 8% p.a. return, the VCP will not pay out. Beyond that, participants may in aggregate receive 10% of any further equity value created subject to a cap of 10% of issued Ordinary Share capital. The equity value created is calculated under the plan as the market capitalisation of the Company at the end of the VCP performance period less the net invested capital in the Company. The net invested capital in the Company is the equity value of the Company on Admission plus the any additional Ordinary Shares issued multiplied by the price per Ordinary Share at which they are issued increased by the compound annual hurdle of 8% from the date of issuance up to the end of the VCP performance period and less all amounts paid by the Company by way of dividends or other distributions in respect of the Ordinary Shares over the relevant period.

At the outset, entitlements of participants in the pool of returns are split as follows:

- David Montgomery, Executive Chairman – 35%
- Vijay Vaghela, Chief Operating Officer – 35%
- Unallocated – 30%

## **Strategic decisions**

### ***Members and responsibility***

The Directors are responsible for carrying out the Company's objective, implementing its acquisition policy and financing and business strategies and conducting its overall supervision. Decisions regarding acquisitions, divestment and other strategic matters will all be considered and determined by the Board. David Montgomery and Vijay Vaghela will be the Directors charged with day-to-day responsibility for the implementation of an acquisition strategy.

The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance values of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company. Prior to an acquisition, the Company will not have any full-time employees.

No Shareholder approval will be sought by the Company in relation to the making of an acquisition. Any acquisition will be subject to Board approval of at least 75% of the Directors present at a quorate meeting of the Board.

### ***Frequency of meetings***

The Board will schedule quarterly meetings and will hold additional meetings as and when required. The expectation is that this will not result in more than four meetings of the Board each year.

## **Corporate governance**

The Company will observe the requirements of the UK Corporate Governance Code (so far as it is practicable for a 'special purpose acquisition vehicle'). As at the date of this prospectus, the Company is, and at the date of Admission will be, in compliance with the UK Corporate Governance Code, save as set out below:

- given the composition of the Board, certain provisions of the UK Corporate Governance Code (in particular the provisions relating to the division of responsibilities between chairman and chief executive officer and executive compensation), are considered by the Board to be inapplicable to the Company. In addition, the Company does not comply with the requirements of the UK Corporate Governance Code in relation to the requirement to have a senior independent director;
- the UK Corporate Governance Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first AGM of the Company following an acquisition; and
- until an acquisition is made, the Company will not have a nomination committee. The Board as a whole will instead review its size, structure and composition. Following an acquisition, the Board intends to put in place nomination committee.

The Company has established a Remuneration Committee and an audit and risk committee of the Board (the **"Audit and Risk Committee"**) with formally delegated duties and responsibilities.

The Remuneration Committee will comprise John Rowe as chair, Mark Hollinshead and Steve Barber and will meet not less than twice each year. The Remuneration Committee will be responsible for the review and recommendation of the scale and structure of remuneration for Directors and any senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and other stakeholders.

The Audit and Risk Committee will comprise Steve Barber as chair, Mark Hollinshead and John Rowe and will meet not less than twice a year. The Audit and Risk Committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit and Risk Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

## **Acquisition structure**

An acquisition may be made by the Company or a wholly-owned subsidiary of the Company, established as a special purpose vehicle to make an acquisition. The details of the structure of any acquisition will be determined once a target for the relevant acquisition has been identified.

## **Other agreements**

The Company has also entered into an agreement for the provision of the services of Link Market Services, to act as its registrar (the **"Registrar"**), as more fully described in *Part XIII – Additional Information* of this prospectus.

## PART VIII

### THE PLACING

#### Details of the Placing

The Company, the Directors and Dowgate have entered into the Placing Agreement pursuant to which, subject to certain conditions, Dowgate agreed to use its reasonable endeavours to procure subscribers for 50,000,000 Placing Shares to be issued by the Company.

The Placing Shares subscribed for in the Placing at the Placing Price will represent up to approximately 92.59% of the Enlarged Issued Share Capital.

Pursuant to the Placing, the Company will issue 50,000,000 Placing Shares at the Placing Price of 10 pence per share. The Placing is not being underwritten. Dowgate, as the Company's agent, has procured irrevocable commitments to subscribe for the full amount of Placing Shares from Placees, and there are no conditions attached to such irrevocable commitments other than Admission.

In addition to the subscribers procured by Dowgate and/or the Company, the Directors have committed to subscribe 19,450,000 new Ordinary Shares, in aggregate, at the Placing Price (in aggregate, £1,945,000) in the Placing.

Shareholdings immediately prior to Admission will be diluted by approximately 92.6% as a result of the Placing Shares being issued pursuant to the Placing.

The Placing Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares. Further details of the Placing Agreement can be found in *Part XV – Terms and Conditions of the Placing* of this prospectus.

The Net Placing Proceeds after deduction of expenses, will be approximately £4,600,000 on the basis that the Company has raised gross proceeds of £5,000,000 pursuant to the Placing.

The Placing is conditional on:

- (A) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (B) Admission occurring by 8:00 a.m. on 30 September 2019 (or such later date as the Company and Dowgate may agree).

If Admission does not occur, the Placing will not proceed and all monies paid will be refunded to the Placees.

In accordance with Listing Rule 14.2.2, at the time of Admission at least 25% of the Ordinary Shares will be in public hands (as defined in the Listing Rules).

Each Placee has provided to Dowgate an irrevocable commitment letter in respect of the proceeds due to the Company in respect of the Placing. There are no conditions attached to the commitment letters other than Admission.

#### Admission, dealings and CREST

Completion of the Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 30 September 2019 or such later date as may be agreed between Dowgate and the Company.

It is expected that Admission will take place and unconditional dealings in the Ordinary Shares will commence on the London Stock Exchange at 8:00 a.m. on 19 September 2019. This date and time may be subject to change.



Where applicable, definitive share certificates in respect of the Placing Shares to be issued pursuant to the Placing are expected to be despatched, by post at the risk of the recipients, to the relevant holders, within 10 Business Days of Admission. The Placing Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Placing Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

### **Use of proceeds**

The Company has been formed to make acquisitions of target businesses in the news publishing and digital media sector and/or in associated complementary technologies.

The gross proceeds of the Placing will be used to pay the expenses of the Placing and Admission and to further the Company's objective and funding acquisitions, financing investment and business strategies.

The total expenses incurred (or to be incurred) by the Company in connection with Admission, the Placing and the incorporation (and initial capitalisation) of the Company are approximately £400,000 (excluding VAT) which will be paid out of the proceeds of the Placing (such that the Net Placing Proceeds will be approximately £4,600,000).

Prior to completing an acquisition, the Net Placing Proceeds which will fall over time, being reduced by ongoing operating costs will be held in an interest-bearing deposit account or invested in short term money market fund instruments (as approved by the Directors) and will be used for general corporate purposes, including the Company's ongoing costs and expenses, including legal, financial, technical and operational due diligence costs and other costs of sourcing, reviewing and pursuing an acquisition. The costs and expenses of investigating any particular acquisition opportunity will largely be determined by the nature of the relevant targets.

The Company's primary intention is to use the Net Placing Proceeds to enable it to evaluate potential acquisition targets and to pay professional fees (i.e., due diligence, legal fees, accountant's fees) in relation to an acquisition, which may include further complementary acquisitions.

There is no specific expected target value for an initial acquisition.

It is possible that any initial acquisition will be financed using the Net Placing Proceeds, and the Company expects that any funds not used in connection with the evaluation and acquisition of such an initial target business will be used for future acquisitions, internal or external growth and expansion, and working capital in relation to the acquired company or business.

However in the event that an acquisition presents itself which would require the raising of additional capital (i.e., as the consideration payable is greater than the amount of Net Placing Proceeds remaining at the relevant time), the Directors will consider raising additional equity, debt and/or other financial instruments to finance such an acquisition.

For the avoidance of doubt, the Board considers that the Net Placing Proceeds will be sufficient to cover both the necessary Admission expenses (including the incorporation of the Company), and post-Admission expenses and working capital requirements of the Company up to the point of completion of an initial acquisition.

Following an acquisition, the Company intends to seek re-admission of the Group to listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange or admission to trading on AIM or admission to another stock exchange and the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its Shareholders through operational improvements as well as potentially through further complementary acquisitions. The Company may subsequently seek to raise further capital following an acquisition to accelerate the development of the business if there are attractive commercial reasons to do so.

### **CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of

Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Placing Shares will be able to do so. Shareholders may elect to receive Placing Shares in uncertificated form if such Shareholder is a system-member (as defined in the Regulations) in relation to CREST.

### **Selling and distribution restrictions**

The Ordinary Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or in the US.

Certain restrictions that apply to the Placing Shares being issued pursuant to the Placing and the distribution of this prospectus in certain jurisdictions are described *Part III – Important Information* of this prospectus.

### **Transferability**

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.

## PART IX

### SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES

#### Share capital

The Company was incorporated on 29 May 2019 as a private company with limited liability under the Companies Act with registered number 12021298, and re-registered as a public company on 30 July 2019.

Details of the Existing Issued Share Capital of the Company are set out in paragraph 3 of *Part XIII – Additional Information* of this prospectus. As at Admission, there is expected to be £54,000 in nominal value of Ordinary Shares, divided into 54,000,000 issued Ordinary Shares of nominal value 0.1 pence each, all of which will be fully paid up.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The Ordinary Shares are registered with ISIN GB00BJN5J635, SEDOL code BJN5J63 and TIDM NWOR.

#### Fully diluted share capital

The following table sets out the fully diluted Existing Issued Share Capital as at the date of this prospectus and the fully diluted Enlarged Issued Share Capital as at the date of Admission:

	As at the date of this prospectus	As at the date of Admission	As a percentage of the Company's Enlarged Issued Share Capital at Admission
Existing Issued Share Capital	4,000,000	–	7.41%
Enlarged Issued Share Capital	–	54,000,000	92.59%

Accordingly, at Admission the Enlarged Issued Share Capital will be 54,000,000 Ordinary Shares. Save as disclosed in paragraph 15.3 of *Part XIII – Additional Information* of this prospectus, as at the date of this prospectus and Admission, there will be no options or other dilutive instruments of the Company in issue.

#### Financial position

The Company has not yet commenced operations. The financial information in respect of the Company upon which Crowe U.K. LLP has provided the accountant's report as at 16 September 2019, which is set out in Section A of *Part X – Financial Information on the Company* of this prospectus.

#### Liquidity and capital resources

##### Sources of cash and liquidity

As at the date of this prospectus the Company currently has a cash balance of £100,000 from the Subscription and will receive the gross proceeds of the Placing of £5,000,000. It will use such cash to fund:

- the legal and professional fees and expenses (including the FCA application, listing and vetting fee of £17,000, the London Stock Exchange listing fee of £12,108) of the Placing; and
- ongoing costs and expenses including the Registrar's basic fees of £5,000 per year and the London Stock Exchange's fee of £15,000 per year (prorated to approximately £4,100 for the calendar year ended 31 December 2019), an estimated annual audit fee of £15,000 (all exclusive of VAT), and the costs and expenses to be incurred in connection with seeking to identify and

effect acquisitions including a retainer of £37,500 payable to each of Stanhope and Alvarium in relation to acquisition identification and appraisal in the first year following Admission.

The further costs and expenses of any acquisition will likely comprise legal, financial and tax due diligence in relation to any target company; however, the Company would only reach this stage after the Directors have carried out an initial commercial review of the target and the Company has entered into a non-disclosure agreement and/or heads of terms. In addition to any share consideration used by the Company in relation to any acquisition, the Company may raise additional capital in connection with the consummation of that acquisition (dependent upon the size of such acquisition and the ability of the Company to satisfy the consideration in shares). Such capital may be raised through share issues (such as rights issues, open offers or private placings) or borrowings. The Company may also make an acquisition or fund part of any acquisition through share-for-share exchanges.

Although the Company envisages that any capital raised will be from new equity, the Company may also choose to finance all or a portion of an acquisition with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no financing arrangements will be in place at Admission. The Company envisages that debt financing may be necessary if, for example, a target company has been identified but would require a certain amount of cash consideration in addition to, or instead of, share consideration.

Debt financing (if any) for an acquisition will be assessed with reference to the projected cash flow of the target company or business and may be incurred at the Company level or by any subsidiary of the Company. Any costs associated with the debt financing will be paid with the proceeds of such financing. If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

Following an acquisition, the Company's future liquidity will depend in the medium to longer term primarily on: (i) the profitability of the company or business it acquires; (ii) the Company's management of available cash; (iii) cash distributions on sale of existing assets; (iv) the use of borrowings, if any, to fund short-term liquidity needs; and (v) dividends or distributions from subsidiary companies.

### **Deposit of Net Placing Proceeds pending any acquisition**

Prior to the completion of any acquisition, the Net Placing Proceeds, which will be reduced by ongoing operating costs will be held in an interest bearing deposit account or invested in short-term money market instruments (as approved by the Directors) and will be used for general corporate purposes, including paying the expenses of Admission and the Company's ongoing costs and expenses, including Directors' fees and salaries, due diligence costs and other costs of sourcing, reviewing and pursuing any acquisition.

### **Interest rate risks**

The Company may incur indebtedness to finance and leverage an acquisition and to fund its liquidity needs following any such acquisition. Such indebtedness may expose the Company to risks associated with movements in prevailing interest rates. Changes in the level of interest rates can affect, *inter alia*: (i) the cost and availability of debt financing and hence the Company's ability to achieve attractive rates of return on its assets; (ii) the Company's ability to make an acquisition when competing with other potential buyers who may be able to bid for an asset at a higher price due to a lower overall cost of capital; (iii) the debt financing capability of the companies and businesses in which the Company is invested; and (iv) the rate of return on the Company's uninvested cash balances. This exposure may be reduced by introducing a combination of a fixed and floating interest rates or through the use of hedging transactions (such as derivative transactions, including swaps or caps). Interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management, and will not be carried out for speculative purposes.

### **Hedging arrangements and risk management**

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of assets and

liabilities that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation between the instruments used in a hedging or other derivative transactions and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets and liabilities, because the values of its assets and liabilities are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

### **Risk management arrangements**

Responsibility for risk management and internal control rests with the management of the Company. Following completion of an acquisition, the Company will establish an internal procedural audit process.



## PART X

### FINANCIAL INFORMATION ON THE COMPANY

#### SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY A1.18.1.1



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16 September 2019

Dear Sirs and Madams

#### National World plc

##### Introduction

We report on the audited historical financial information of National World plc (the "**Company**") for the period from incorporation on 29 May 2019 to 25 July 2019 (the "**Company Financial Information**"). The Company Financial Information has been prepared for inclusion in Section B "*Historical Financial Information of the Company*" of Part X "*Financial Information of the Company*" of the Company's prospectus dated 16 September 2019 (the "**Prospectus**"), on the basis of the accounting policies set out in note 3 to the Company Financial Information. This report is given for the purpose of complying with item IV(A) of Annex I to Prospectus Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and is given for the purpose of complying with that requirement and for no other purpose.

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

It is our responsibility to form an opinion on the Company Financial Information, and to report our opinion to you.

### **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 Company Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Company 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 Company Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

### **Opinion**

In our opinion, the Company Financial Information gives, for the purpose of the Prospectus, a true and fair view of the state of affairs of the Company as at 25 July 2019 and of its results, cash flows and changes in equity for the period then ended in accordance with IFRS.

### **Declaration**

For the purposes of PR 5.3.2R(2)(f) of the Prospectus Regulation Rules, we are responsible for this report as part of the Prospectus and declare that we have ensured that the information contained in this report is, to the best of our knowledge, in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Article 11 of the Prospectus Regulation.

Yours faithfully

**Crowe U.K. LLP**  
*Chartered Accountants*

## SECTION B: HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

### STATEMENT OF COMPREHENSIVE INCOME

The audited statement of comprehensive income of the Company from the date of incorporation on 29 May 2019 to 25 July 2019 is stated below:

	Note	Period ended 25 July 2019 £
Revenue		—
Administrative expenses		—
<b>Operating result</b>		—
Finance income/(expense)		—
<b>Profit before taxation</b>		—
Income tax		—
<b>Profit for the period and total comprehensive income for the period</b>		—
Basic and diluted earnings per Ordinary Share (pence)	5	—

## STATEMENT OF FINANCIAL POSITION

The audited statement of financial position of the Company as at 25 July 2019 is stated below:

	Note	As at 25 July 2019 £
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	6	100,000
<b>Total assets</b>		<u>100,000</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners</b>		
Ordinary Share capital	7	4,000
Share premium	7	96,000
Retained earnings		<u>—</u>
<b>Total equity attributable to Shareholders</b>		<u>100,000</u>
<b>Total equity and liabilities</b>		<u>100,000</u>

## STATEMENT OF CASH FLOWS

The audited statement of cash flows of the Company from the date of incorporation on 29 May 2019 to 25 July 2019 is stated below:

	Period ended 25 July 2019 £
<b>Cash flows from operating activities</b>	
Loss before income tax	—
<b>Net cash from operating activities</b>	—
<b>Cash flows from financing activities</b>	
Cash received from issue of Ordinary Shares	100,000
<b>Net cash inflow from financing activities</b>	100,000
<b>Net increase in cash and cash equivalents</b>	100,000
Cash and cash equivalents at beginning of period	—
<b>Cash and cash equivalents at end of period</b>	100,000



## STATEMENT OF CHANGES IN EQUITY

The audited statement of statement of changes in equity of the Company from the date of incorporation on 29 May 2019 to 25 July 2019 is stated below:

	Ordinary Share capital £	Share premium £	Retained earnings £	Total equity £
<b>Comprehensive income for the period</b>				
Profit for the period	—	—	—	—
Total comprehensive income for the period	—	—	—	—
<b>Transactions with owners</b>				
Ordinary Shares issued on incorporation	100	—	—	100
Issue of Ordinary Shares	3,900	96,000	—	99,900
Total transactions with owners	4,000	96,000	—	100,000
<b>As at 25 July 2019</b>	<b>4,000</b>	<b>96,000</b>	<b>—</b>	<b>100,000</b>

## NOTES TO THE COMPANY FINANCIAL INFORMATION

### 1. General information

The Company was incorporated on 29 May 2019 as Carno Capital Limited in England and Wales with company number 12021298 under the Companies Act. The Company subsequently re-registered as a public company on 30 July 2019 and changed its name to National World plc.

The address of its registered office is 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT, United Kingdom.

The principal activity of the Company is to pursue opportunities in the news publishing and digital media sector and/or in associated complementary technologies. The Company intends to initially focus on potential acquisition opportunities in the UK and continental Europe but is not limited to these jurisdictions or geographies. The Company did not trade during the period under review.

### 2. Basis of preparation

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

The Company Financial Information has been prepared in accordance with IFRS. The Company Financial Information has been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The Company Financial Information is presented in £ unless otherwise stated.

#### ***Comparative figures***

No comparative figures have been presented as the Company Financial Information covers the period from incorporation on 29 May 2019.

#### ***Going concern***

The Company Financial Information has been prepared on a going concern basis. The Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Company Financial Information.

#### ***Standards and interpretations issued and not yet effective:***

At the date of the Company Financial Information, the Directors have reviewed the standards in issue by the International Accounting Standards Board and IFRIC, which are effective for periods beginning on or after the stated effective date but have not yet been applied. In their view, these standards would not have a material impact on the financial reporting of the Company.

### 3. Significant accounting policies

The Company Financial Information is based on the following policies which have been consistently applied:

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### ***Earnings per Ordinary Share***

The Company presents basic and diluted earnings per share data for its Ordinary Shares. Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

## Equity

Ordinary Shares are classified as equity.

## Taxation

Income tax for the period is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the period is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company Financial Information. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 4. Critical accounting estimates and judgments

In preparing the Company Financial Information, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Company Financial Information.

## 5. Earnings per Ordinary Share

There were no potentially dilutive instruments in issue at the period end.

As at 25 July 2019		
Earnings £	Weighted average number of Ordinary Shares	Per-share amount £
<b>Basic earnings per Ordinary Share</b>		
Earnings attributable to Shareholders	100,000	—
<b>Diluted earnings per Ordinary Share</b>		
Effect of dilutive securities	100,000	—

## 6. Cash and cash equivalents

	As at 25 July 2019 £
Cash at bank	100,000
	100,000

## 7. Share capital and premium

	Number of Ordinary Shares	Share capital £	Share premium £	Total £
On incorporation (of £1.00 each)	100	100	–	100
Subdivision of Ordinary Shares	99,900	–	–	–
Issue of Ordinary Shares (of £0.001 each)	3,900,000	3,900	96,000	99,900
At 25 July 2019	4,000,000	4,000	96,000	100,000

On incorporation, the Company issued 100 Ordinary Share of £1 each at £1 per Ordinary Share, for cash consideration of £100.

On 25 July 2019, a special resolution was passed to sub-divide every existing Ordinary Share of nominal value £1.00 into 1,000 Ordinary Shares of nominal value £0.001 each in the capital of the Company, following which there were 100,000 Ordinary Shares of £0.001 nominal value in issue.

On 25 July 2019, the Company issued a further 3,900,000 Ordinary Shares of £0.001 nominal value at approximately £0.025 each for cash consideration of £99,900. Following this issue, there were 4,000,000 Ordinary Shares of £0.001 nominal value in issue.

## 8. Financial instruments

	As at 25 July 2019 £
<b>Financial assets</b>	
Cash and cash equivalents	100,000

### ***Financial risk management objectives and policies***

The Company's major financial instrument comprises its bank balance. The risks associated with this financial instrument, and the policies on how to mitigate this risk are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### *Credit risk*

The Company's credit risk is wholly attributable to its cash balance. The credit risk from its cash and cash equivalents is limited because the counter parties are banks with high credit ratings and have not experienced any losses in such accounts.

#### *Interest rate risk*

The Company's exposure to interest rate risk is the interest received on the cash held, which is immaterial.

#### *Currency risk*

As all monetary assets and liabilities and all transactions of the Company are denominated in its functional currency. As such, the Company is exposed to no foreign currency risk.

### ***Fair value of financial assets and liabilities***

There is no material difference between the fair value of the Company's financial asset and its carrying value in the Company Financial Information.

## 9. Related party transactions

On incorporation, the Company issued 100 Ordinary Shares of £1 at £1 per Ordinary Share for cash consideration of £100 to David Montgomery, a Director.

On 25 July 2019, the Company issued a further 1,700,000 Ordinary Shares and 1,800,000 Ordinary Shares of £0.001 nominal value at approximately £0.025 for cash consideration to each of David Montgomery and Vijay Vaghela respectively, both of whom are Directors.

**10. Ultimate controlling party**

As at 25 July 2019, the ultimate controlling parties of the Company were David Montgomery and Vijay Vaghela.

**11. Nature of the Company Financial Information**

The Company Financial Information presented above does not constitute statutory accounts for the period under review.



## **PART XI**

### **TAXATION**

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

The following information is based on UK tax law and Her Majesty's Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

#### **Tax treatment of UK investors**

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

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

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

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

#### ***Dividends***

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

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

Dividend income received by UK tax resident individuals will have a £2,000 annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers, and 38.1% for additional rate taxpayers.

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

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

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

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10%, and 20% for upper rate and additional rate taxpayers.

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

Subject to certain exemptions, the corporation tax rate applicable to taxable profits is currently 19%, falling to 17% after 1 April 2020.

### ***Further information for Shareholders subject to UK income tax and capital gains tax***

#### ***“Transactions in securities”***

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “*transactions in securities*”.

### **Stamp Duty and Stamp Duty Reserve Tax**

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 stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

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

Most investors will purchase existing Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5%. Where Ordinary Shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5% if the purchase consideration exceeds £1,000.

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

**THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.**

## PART XII

### CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. Listing Principles 1 and 2 as set out in Listing Rule 7.2.1 of the Listing Rules also apply to the Company, and the Company must comply with such Listing Principles. Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1AR of the Listing Rules do not apply to the Company.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Placing and Admission;
- Chapter 9 of the Listing Rules relating to the ongoing obligations for companies admitted to the Premium List, which therefore does not apply to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that an acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for an acquisition (subject to the Company having sufficient existing authorisation from Shareholders to issue such number of Ordinary Shares in relation to such acquisition on a non-pre-emptive basis);
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the independent Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. Until an acquisition the Company will have unlimited authority to purchase Ordinary Shares, subject to the restrictions set out in the Companies Act; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Following an acquisition, the Company's Standard Listing will be cancelled and the Company will be treated as a new applicant. At that point the Directors may seek admission as a Standard Listing or as a Premium Listing or another appropriate listing venue, based on the track record of the Company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. Alternatively, it may determine to seek re-admission to a Standard Listing, subject to eligibility criteria. If admission with a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to seek a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure Guidance and Transparency Rules) in the same manner as any other company with a Premium Listing. There can be no guarantee that once an acquisition is completed and the Company loses its Standard Listing that it will be eligible for admission to any public market.

**It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this prospectus are themselves misleading, false or deceptive.**

## PART XIII

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

The Directors, whose names appear on page 27, and the Company accept responsibility for the information contained in this prospectus. To the best of the knowledge of the Directors and the Company, the information contained in this prospectus is in accordance with the facts and contains no omission likely to affect its import.

#### 2. THE COMPANY

- 2.1 The Company was incorporated on 29 May 2019 as a private company with limited liability under the Companies Act. The Company re-registered as a public company on 30 July 2019.
- 2.2 The Company is not regulated by the FCA or any financial services or other regulator. With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.
- 2.3 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act and the regulations made thereunder. The Company operates in conformity with its constitution.
- 2.4 The Company's registered office is at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT, United Kingdom. The Company's telephone number is +44 (0)20 7583 8304. The Company's website is [www.nationalworld.com](http://www.nationalworld.com). Information that is on the Company's website does not form part of this prospectus unless that information is incorporated by reference to this prospectus.
- 2.5 On incorporation of the Company, David Montgomery subscribed for 100 ordinary shares of nominal value £1.00 in the capital of the Company at a price of £1 per share.
- 2.6 On 25 July 2019, a special resolution was passed to sub-divide every existing ordinary share of nominal value £1.00 in the capital of the Company into 100,000 shares of nominal value 0.1 pence each in the capital of the Company.
- 2.7 On 25 July 2019, the Company allotted, in aggregate, 3,900,000 Ordinary Shares to David Montgomery, Vijay Vaghela and Nigel Spray at a price of approximately 2.5 pence per Ordinary Share to raise £99,900.
- 2.8 As at 15 September 2019, being the latest practicable date prior to publication of this prospectus, the Company did not have any subsidiaries or subsidiary undertakings.

#### 3. SHARE CAPITAL

The following table shows the issued and fully paid shares of the Company at the date of this prospectus:

Class	Number	Amount paid
Ordinary Shares	4,000,000	£100,000

3.1 On completion of the Placing, raising gross proceeds of £5,000,000, the issued and fully paid shares of the Company immediately following Admission is expected to be as shown in the following table:

Class	Number	Amount paid
Ordinary Shares	54,000,000	£5,100,000

The Company has only Ordinary Shares in issue and no shares which do not represent capital.

No Ordinary Shares are held by or on behalf of the Company or by any subsidiary of the Company.

Other than the Options described in paragraph 15.3 below, no person has any option nor has the Company agreed conditionally or unconditionally to grant any option over any Ordinary Shares.

3.2 Pursuant to a special resolution of the Shareholders passed at a general meeting of the Company (held on short notice) on 25 July 2019:

- (a) the Directors were authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal value of £99,000 for the purposes of, or in connection with, the Placing; and a further £30,903, conditional upon the completion of the Placing, provided that such authorities, unless renewed, varied or revoked by the Company, shall expire at the conclusion of the annual general meeting to be held in 2020, but so that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted and the Directors may allot shares in pursuance of such offer of agreement notwithstanding that the authority conferred by this resolution has expired;
- (b) the Directors were empowered in accordance with section 570 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) of the Company for cash pursuant to the general authorities conferred on them by the resolution referred to at (a) above as if section 561(1) of the Companies Act did not apply to any such allotment, provided that such power is limited to the allotment of Ordinary Shares (subject to Admission):
  - (i) for the purposes of, or in connection with, the Placing;
  - (ii) generally for such purposes as the Directors may think fit, an aggregate amount of Ordinary Shares up to an aggregate nominal value of £10,300; and
  - (iii) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares, in proportion (as nearly as may be) to their existing holdings of Ordinary Shares up to an amount equal to the aggregate value of the Ordinary Shares in issue as at the close of the first Business Day following Admission but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient:
    - (A) to deal with equity securities representing fractional entitlements; and
    - (B) to deal with legal or practical problems in the laws of any territory, or the requirements of any regulatory body,

on the basis that the powers in paragraphs (b)(ii) and (b)(iii) above shall expire on the earlier of: (i) the conclusion of the next AGM of the Company after the passing of the resolution; or (ii) 25 October 2020 save that the Company shall be entitled to make an offer or agreement which would or might require equity securities to be issued pursuant to paragraphs (b)(ii) and (iii) above (inclusive) before the expiry of their power to do so, and the Directors shall be entitled to issue or sell from treasury the equity securities pursuant to any such offer or agreement after that expiry date and provided further that the Directors may sell, as they think fit, any equity securities from treasury.

3.3 Save as disclosed in this prospectus:

- (a) no Ordinary Share or loan capital of the Company has been issued or is proposed to be issued;
- (b) no person has any preferential subscription rights for any Ordinary Shares in the Company;
- (c) no Ordinary Share or loan capital of the Company is unconditionally to be put under option; and

- (d) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.
- 3.4 All Ordinary Shares in the capital of the Company are in registered form.
- 3.5 The Ordinary Shares will be admitted to a Standard Listing on the Official List and traded on the Main Market of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

#### **4. ARTICLES**

- 4.1 The Articles of the Company were adopted by a special resolution of the Shareholders passed by written resolution on 25 July 2019. A summary of the terms of the Articles is set out below. The summary below is not a complete copy of the terms of the Articles.
- 4.2 The Articles contain no specific restrictions on the Company's objects and therefore, by virtue of section 31(1) of the Companies Act, the Company's objects are unrestricted.
- 4.3 The Articles contain, *inter alia*, provisions to the following effect:

- (a) **Share capital**

The Company's Existing Issued Share Capital currently consists of Ordinary Shares. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

- (b) **Voting**

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by such Shareholder.

- (c) **Variation of rights**

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class and may be so varied and abrogated whilst the Company is a going concern or during or in contemplation of a winding up.

- (d) **Dividends**

The Company may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors. Subject to the provisions of the Companies Act in so far as, in the Directors' opinions, the Company's profits justify such payments, the Directors may pay interim dividends on any class of shares.

Any dividend unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Directors resolve, be forfeited and shall revert to the Company. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

- (e) **Transfer of Ordinary Shares**

Each member may transfer all or any of their shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of their shares which are in



uncertificated form by means of a 'relevant system' (i.e., the CREST System) in such manner provided for, and subject as provided in, the Regulations.

The Board may, in its absolute discretion, refuse to register a transfer of certificated shares unless:

- (i) it is for a share which is fully paid up;
- (ii) it is for a share upon which the Company has no lien;
- (iii) it is only for one class of share;
- (iv) it is in favour of a single transferee or no more than four joint transferees;
- (v) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and
- (vi) it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by them or, if the transfer or renunciation is executed by some other person on their behalf, the authority of that person to do so.

The Directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the Regulations and the CREST System.

(f) ***Allotment of shares and pre-emption rights***

Subject to the Companies Act and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine (including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares).

In accordance with section 551 of the Companies Act, the Directors may be generally and unconditionally authorised to exercise all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution authorising such allotment. The authorities referred to in paragraph 3.2(a) above were included in the ordinary resolution passed on 25 July 2019 and remain in force at the date of this prospectus.

The provisions of section 561 of the Companies Act (which confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the Company except to the extent disapplied by special resolution of the Company. Such pre-emption rights have been disapplied to the extent referred to in paragraph 3.2(b) above pursuant to the special resolution passed on 25 July 2019.

(g) ***Alteration of share capital***

The Company may by ordinary resolution consolidate or divide all of its share capital into shares of larger nominal value than its existing shares, or cancel any shares which, at the date of the ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of shares so cancelled or sub-divide its shares, or any of them, into shares of smaller nominal value.

The Company may, in accordance with the Companies Act, reduce or cancel its share capital or any capital redemption reserve or share premium account in any manner and with and subject to any conditions, authorities and consents required by law.

(h) **Directors**

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall not be less than two, but there shall be no maximum number of Directors.

Subject to the Articles and the Companies Act, the Company may by ordinary resolution appoint a person who is willing to act as a Director and the Board shall have power at any time to appoint any person who is willing to act as a Director, in both cases either to fill a vacancy or as an addition to the existing Board.

At the first AGM following an acquisition all Directors shall retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.

At every subsequent AGM any Director who:

- (i) has been appointed by the Directors since the last AGM; or
- (ii) was not appointed or re-appointed at one of the preceding two AGMs;

must retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.

Subject to the provisions of the Articles, the Board may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors.

The quorum for a Directors' meeting shall be fixed from time to time by a decision of the Directors, but it must never be less than two and unless otherwise fixed, it is two.

Questions and matters requiring resolution arising at a meeting shall be decided by a majority of votes of the participating Directors, with each director having one vote. In the case of an equality of votes, the chair will only have a casting vote or second vote when an acquisition has been completed. The entering into any acquisition requires the consent of at least 75% of the Directors present and entitled to vote.

The Directors shall be entitled to receive such remuneration as the Directors shall determine for their services to the Company as directors and for any other service which they undertake for the Company provided that the aggregate fees payable to the Directors must not exceed £1,000,000 per annum. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of Shareholders or class meetings, board or committee meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

The Board may, in accordance with the requirements in the Articles, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching their duty under the Companies Act to avoid conflicts of interests.

A Director seeking authorisation in respect of such conflict shall declare to the Board the nature and extent of their interest in a conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.

Any authorisation by the Board will be effective only if:

- (i) to the extent permitted by the Companies Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of the Articles;
- (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted Director and any other conflicted Director; and

- (iii) the matter is agreed to without the conflicted Director voting or would be agreed to if the conflicted Director's and any other interested Director's vote is not counted.

Subject to the provisions of the Companies Act, every Director, secretary or other officer of the Company (other than an auditor) is entitled to be indemnified against all costs, charges, losses, damages and liabilities incurred by them in the actual purported exercise or discharge of their duties or exercise of their powers or otherwise in relation to them.

(i) **General meetings**

The Company must convene and hold AGMs in accordance with the Companies Act.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chair of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

(j) **Borrowing powers**

Subject to the Articles and the Companies Act, the Board may exercise all of the powers of the Company to:

- (i) borrow money;
- (ii) indemnify and guarantee;
- (iii) mortgage or charge;
- (iv) create and issue debentures and other securities; and
- (v) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(k) **Capitalisation of profits**

The Directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The Directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

(l) **Uncertificated shares**

Subject to the Companies Act, the Directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a 'relevant system' (i.e., the CREST System) without a certificate.

The Directors may take such steps as it sees fit in relation to the evidencing of and transfer of title to uncertificated shares, any records relating to the holding of uncertificated shares and the conversion of uncertificated shares to certificated shares, or vice-versa.

The Company may by notice to the holder of an uncertificated share, require that share to be converted into certificated form.

The Board may take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

## 5. OTHER RELEVANT LAWS AND REGULATIONS

### 5.1 **Mandatory bid**

- (a) The City Code on Takeovers and Mergers (the “**Takeover Code**”) applies to the Company. Under the Takeover Code, where:

- (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which such person is already interested, and in which persons acting in concert with such person are interested) carry 30% or more of the voting rights of a company; or
- (ii) any person who, together with persons acting in concert with such person, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with such person, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which such person is interested;

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the Takeover Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

- (b) An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid for any interest in the shares by the person required to make an offer or any person acting in concert with such person during the 12 months prior to the announcement of the offer.
- (c) Under the Takeover Code, a ‘concert party’ arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) actively co-operate, through an acquisition by them of an interest in shares in a company, to obtain or consolidate control of the company. ‘Control’ means holding, or aggregate holdings, of an interest in shares carrying 30% or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

### 5.2 **Squeeze-out**

- (a) Under sections 979 to 982 of the Companies Act, if an offeror were to acquire 90% of the Ordinary Shares it could then compulsorily acquire the remaining 10%. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of: (a) the period of three months beginning with the day after the last day on which the offer can be accepted; or (b) if earlier, and the offer is not one to which section 943(1) of the Companies Act applies, the period of six months beginning with the date of the offer.
- (b) Six weeks following service of the notice, the offeror must send a copy of it to the Company together with the consideration for the Ordinary Shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding Shareholder(s) by a person appointed by the offeror.
- (c) The Company will hold the consideration on trust for the outstanding Shareholders.

### 5.3 **Concert Party**

Under the Takeover Code, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest or interests in shares carrying an aggregate of 30% or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

In addition, shareholders in a private company which, in connection with an IPO, re-registers as a public company and accordingly becomes a company which is subject to the Takeover Code, will be presumed to be persons who are acting in concert with each other unless the contrary is established.

Having consulted with the Panel, the Company considers that, for the purposes of the Takeover Code, a concert party exists comprising Mr Montgomery, Mr Vaghela, Mr Hollinshead and Mr Locke. Details of the concert party are set out below.

### Maximum potential holdings of the Concert Party

The following table sets out the maximum potential holdings of the Concert Party and its members: (1) before Admission; and (2) at Admission and following the Placing. The make-up of the Concert Party and consequences are described below the table:

	Before Admission		At Admission and following the Placing	
	Number	%	Number	%
David Montgomery	1,800,000	45	18,200,000	33.70
Vijay Vaghela	1,800,000	45	3,350,000	6.20
Alasdair Locke	–	–	5,000,000	9.26
Mark Hollinshead	–	–	500,000	0.93
	3,600,000	90	27,050,000	50.09

The Concert Party comprises:

- David Montgomery, whose biographical details are in *Part VII – The Company, Board and Strategy* and who is expected to hold 18,200,000 Ordinary Shares representing 33.70% of the Enlarged Issued Share Capital at Admission;
- Vijay Vaghela, whose biographical details are in *Part VII – The Company, Board and Strategy* and who is expected to hold 3,350,000 Ordinary Shares representing 6.20% of the Enlarged Issued Share Capital at Admission;
- Mark Hollinshead, whose biographical details are in *Part VII – The Company, Board and Strategy* and who is expected to hold 500,000 Ordinary Shares representing 0.93% of the Enlarged Share Capital at Admission; and
- Alasdair Locke started in investment banking at Citigroup in 1974, where he specialised in shipping and oil. In 1982 he established a Singapore-based business providing finance for and investing in shipping and offshore oil service companies, which was subsequently acquired by Henry Ansbacher & Co Ltd. On his return to the UK he established Abbot Group plc in 1990, which he took public in 1995. Upon its sale to private equity in 2008 Abbot Group was one of the leading oil drilling, engineering and contracting businesses in the world, with approximately 8,000 employees in over 20 countries and an annual turnover of circa US\$1.8 billion. Mr Locke maintains a wide portfolio of business interests. He is Non-Executive Chairman of Hardy Oil & Gas plc, Chairman of FProp plc, Chairman of Motor Fuel Group and Non-Executive Chairman of Well-Safe Solutions Ltd. Mr Locke was Chairman of Mecom plc (when David Montgomery served as Chief Executive) and was an investor in Local World Limited, a company founded by David Montgomery and of which Vijay Vaghela was also a director. Mr Locke is expected to hold 5,000,000 Ordinary Shares representing 9.26% of the Enlarged Issued Share Capital at Admission

At Admission, the Concert Party is expected to have an aggregate holding of 27,050,000 Ordinary Shares representing 50.09% of the Enlarged Issued Share Capital. As a result, the Concert Party will be interested, in aggregate, in shares which carry more than 50% of the outstanding voting rights.

As a consequence, the Concert Party members will be able to acquire further interests in Ordinary Shares without consequence under Rule 9 of the Takeover Code, subject to the provisions of Note 4 on Rule 9.1 of the Takeover Code. The Company clearly expects that any future transaction or acquisition is likely to involve the issue of significant numbers of Ordinary Shares, which will potentially reduce the aggregate interests of the Concert Party and its individual members.

## 5.4 **Sell-out**

- (a) Sections 983 to 985 of the Companies Act also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relating to all the Ordinary Shares is made at any time before the end of the period within which the offer could be accepted and the offeror held or had agreed to acquire not less than 90% of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any Shareholder notice of their right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period, or, if longer a period of three months from the date of the notice.
- (b) If a Shareholder exercises their rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 5.5 **Shareholder notification and disclosure requirements**

- (a) Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3% of the nominal value of the Company's share capital or any 1% threshold above that.
- (b) The DTRs can be accessed and downloaded from the FCA's website at <http://fshandbook.info/FS/html/FCA/DTR>. Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

## 6. **DIRECTORS' AND OTHER INTERESTS**

- 6.1 Immediately following Admission, the Directors will have the following interests in the shares of the Company:

Name	No. of Ordinary Shares
David Montgomery <sup>1</sup>	18,200,000
Vijay Vaghela	3,350,000
Mark Hollinshead	500,000
Steve Barber	500,000
John Rowe <sup>2</sup>	500,000

<sup>1</sup> Mr Montgomery's Ordinary Shares are held by Montgomery Media Limited, a private company controlled by him

<sup>2</sup> Mr Rowe's Ordinary Shares are held by his wife, Lesley Ann Rowe

David Montgomery and Vijay Vaghela will also have a contingent interest in the Company's share capital via the Value Creation Plan described in paragraph 15.3 below.

- 6.2 The Directors have not held any directorships of any company (other than the Company and its subsidiaries) or partnerships within the last five years, except as set forth below:

Director	Current	Past
<b>David Montgomery</b>	Local TV Limited Made in Birmingham Limited Made in Liverpool 2016 Limited Made in Bristol TV Ltd Local Faces Limited Made Television Limited Montgomery Media Limited Carno Capital Limited	Euro-Media Assets Limited Mailbox Distribution 2013 Limited Local World Limited Local World Holdings Limited London Live Television Limited



Director	Current	Past
Vijay Vaghela	–	<p>International Distribution 2018 Limited</p> <p>Echo Building (Liverpool) Limited</p> <p>Express Newspapers</p> <p>TM Leasing Limited</p> <p>Trinity Mirror Media Limited</p> <p>Broughton Printers Limited</p> <p>Reach Printing Services (West Ferry) Limited</p> <p>TM Titles Limited</p> <p>Reach Network Media Limited</p> <p>West Ferry Leasing Limited</p> <p>Reach Magazines Worldwide Limited</p> <p>Reach Magazines Publishing plc</p> <p>Trinity Mirror Finance Limited</p> <p>TM Media Holdings Limited</p> <p>Reach Magazines Limited</p> <p>TM North America Limited</p> <p>Reach Magazines Distribution Limited</p> <p>TM Mobile Solutions Limited</p> <p>Local World Holdings Limited</p> <p>Reach Publishing Services Limited</p> <p>MGL2 Limited</p> <p>Reach Regionals Limited</p> <p>Trinity Mirror Digital Limited</p> <p>Trinity Mirror Cheshire Limited</p> <p>Reach Midlands Media Limited</p> <p>Reach Publishing Group Limited</p> <p>Reach Regionals Media Limited</p> <p>Amra Limited</p> <p>Reach Shared Services Limited</p> <p>Trinity Mirror Distributors Limited</p> <p>Trinity Mirror Merseyside Limited</p> <p>Trinity Mirror North Wales Limited</p> <p>Reach Printing Services (Midlands) Limited</p> <p>Trinity Mirror Huddersfield Limited</p> <p>Reach Printing Services Limited</p> <p>Reach Work Limited</p> <p>MGN Limited</p> <p>Reach Secretaries Limited</p> <p>Scottish Daily Record and Sunday Mail Limited</p> <p>Reach Directors Limited</p> <p>Job Search Limited</p> <p>Sunday Brands Limited</p> <p>Fish4Cars Limited</p> <p>This Is Britain Limited</p> <p>Fish4 Limited</p> <p>Fish4 Trading Limited</p> <p>Fish4Jobs Limited</p> <p>Trinity 102 Limited</p> <p>Surrey &amp; Berkshire Media Limited</p> <p>Manchester Morning News Limited</p> <p>Lancashire &amp; Cheshire County Newspapers Limited</p> <p>Men Investment Limited</p> <p>MG6 Limited</p>

Director	Current	Past
<b>Vijay Vaghela</b> (Continued)		MG Guarantee Co Limited Totallyfinancial.com Ltd The Career Engineer Limited TIH (Trustee) Limited Totallylegal.com Limited 08000 Recruit Limited Aberdonian Publications Limited R.E. Jones Graphic Services Limited Micromart (UK) Limited Midland Weekly Media (Birmingham) Limited Midland United Newspapers Limited Mirror Group Music Limited TIH (Chester) Limited Northern Print Services Limited North Wales Weekly News Mirror Financial Services Limited Enterprise Magazines Limited Live TV Limited Trinity Publications Limited Trinity Newspapers Southern Limited Parkside Consulting Limited Trinity Mirror Printing (Newcastle) Limited Legionstyle Limited Websalvo.com Limited I.T. Trade Publishing Limited Wood Lane Two Limited Wood Lane One Limited Ad-Mag (North East) Limited Official Starting Prices Ltd. Advertiser North London Limited People Limited (The) Trinity Newspaper Group Limited Arrow Interactive Limited Trinity Mirror Digital Media Limited Associated Catholic Newspapers (1912) Limited (The) Mayfair Celebs Limited The Hinckley Times Limited Media Wales Limited Huddersfield Newspapers Limited Chargestake Limited Denitz Investments Limited Mercury Distribution Services Limited Meilin Limited Trinity Mirror Printing (Blantyre) Limited Wandsworth Independent Limited Mirror Colour Print Services (London) Limited Mirrorad Limited Advertiser North London Group (Holdings) Limited Jobsfinancial Limited Mirror Colour Print (London No. 1 Plant) Limited

Director	Current	Past
<b>Vijay Vaghela</b> (Continued)		<p> The Hotgroup Limited  Scene Printing Web Offset Limited  Birmingham Boat Shows Limited  (The)  Parkside Accountancy Limited  Glaswegian Publications Limited  Mirror Colour Print Services Limited  Sunday People Limited  Trinity Shared Services Limited  R.E. Jones Newspaper Group  Limited  Scottish and Universal Newspaper  Limited  Syndication International (1986)  Limited  Odhams Newspapers Limited  Syndication International Limited  Midland Leaflet Services Limited  Midland Newspapers Limited  Hot Exchange Limited  Gisajob Limited  Hot Flights Limited  Anderston Quay Printers Limited  Mirror Group Newspapers North  (1986) Limited  Net Recruit UK Limited  Scotfree Limited  Southnews Trustees Limited  Mirror Colour Print (London) Limited  Western Mail &amp; Echo Limited  MGN (AW) Limited  NCJ Media Limited  Men Media Limited  The Birmingham Post &amp; Mail Limited  Echo Press Limited (The)  Chester Chronicle and Associated  Newspapers Limited (The)  The Graduate Group Ltd  0800 Recruit Limited  Charles Elphick Limited  Echo Press (1983) Limited  Icscotland Limited  Conrad &amp; Partners Limited  Daily Post Investments Limited  Vibrant Limited  Trinity Mirror Marketing Direct  Limited  Camberry Limited  Llandudno Advertiser Limited  Kent Regional Newspapers Limited  London and Westminster  Newspapers Limited  Medpress Limited  London Newspaper Group Limited  Workthing Limited  Midland Independent Magazines  Limited  Jobsin Limited </p>

Director	Current	Past
<b>Vijay Vaghela</b> (Continued)		<p>Scene Printing (Midlands) Limited</p> <p>Smart Media Services Limited</p> <p>Scene Magazines Limited</p> <p>Mirror Colour Print (North) Limited</p> <p>Wire TV Limited</p> <p>Merseymart Limited</p> <p>Buy Sell Limited</p> <p>First Press Publishing Limited</p> <p>Midland Newspapers Printers Limited</p> <p>Mirror Projects Limited</p> <p>Midland Weekly Media Limited</p> <p>Mirrornews Limited</p> <p>Mirror Group Newspapers Limited</p> <p>Vivid Group Limited</p> <p>Metropolitan Free Newspapers Limited</p> <p>Kennyhill Limited</p> <p>TIH (Properties) Limited</p> <p>Vivid Limited</p> <p>Vectis Innovations Limited</p> <p>Midland Independent Newspaper &amp; Media Sales Limited</p> <p>Middlesex County Press Limited</p> <p>RH1 Limited</p> <p>TIH (Cardiff) Limited</p> <p>Quids-In (North West) Limited</p> <p>TIH (Belfast) (Nominees) Limited</p> <p>Trinity Mirror (L I) Limited</p> <p>TIH (Newcastle) Limited</p> <p>TM Regional New Media Limited</p> <p>Saltire Press Limited</p> <p>Hot Flats Limited</p> <p>Coventry Newspapers Limited</p> <p>Daily Mirror Newspapers Limited (The)</p> <p>Blackmore Vale Publishing Company Limited</p> <p>Dundonian Publications Limited</p> <p>Planet Recruitment Limited</p> <p>Trinity Mirror Regional Newspapers Limited</p> <p>Liverpool Web Offset Limited</p> <p>TIH (Teesside) Limited</p> <p>MirrorAir Limited</p> <p>MG Estates Limited</p> <p>Markstead Limited</p> <p>MGN Property Developments Limited</p> <p>MirrorTel Limited</p> <p>Nunews Limited</p> <p>Midland Independent Weekly Newspapers Limited</p> <p>Trinity Weekly Newspapers Limited</p> <p>PlanetRecruit Limited</p> <p>Isle of Wight Newspapers Limited</p>

Director	Current	Past
<b>Vijay Vaghela</b> (Continued)		MGN (Services) Ltd Birmingham Post & Mail (Exhibitions) Limited Channel One Liverpool Limited Just London Jobs Limited Welshpool Web-Offset Co. Limited North Eastern Evening Gazette Limited Trinity Mirror Printing (Liverpool) Limited Mainjoy Limited Reach Southern Media Limited Trinity Limited Liverpool Weekly Newspaper Group Limited Birmingham Post & Mail Trustees Limited Gimmejobs Limited Internet Recruitment Solutions Limited Community Magazines Limited High Street Direct Limited Scene Newspapers Limited Midland Weekly Media (Wolverhampton) Limited Jobsinlaw Limited Jobsinuk Limited CDE Services Limited Gazette Media Company Limited Century Communications Ltd. Trinity 100 Limited The Liverpool Daily Post and Echo Limited Birmingham Live Limited City Television Network Limited Jobsinhrsolutions Limited Examiner News & Information Services Limited Huddersfield Examiner Limited Newsday Limited The Edinburgh and Lothians Post Limited R.E. Jones Bros. Limited Reach Printing Services (Teesside) Limited MGN (Canada) Square) Limited Newcastle Chronical and Journal Limited Midland Weekly Newspapers Limited Hotrecruit Limited Reliant Distributors Limited Daily Post Overseas Limited Informer Publications Limited Trinity Mirror Printing (Cardiff) Limited Welsh Universal Holdings Limited

Director	Current	Past
<b>Vijay Vaghela</b> (Continued)		Joseph Woodhead & Sons Limited Financial Jobs Online Limited MGN (86) Limited Reach Nationals Limited North Wales Independent Press Limited Reach Printing Services (Oldham) Limited Reach Printing Services (Watford) Limited Reach Printing Services (Saltire) Limited BPM Media (Midlands) Limited Media Scotland Limited The Adscene Group Limited Reach plc Trinity Mirror Acquisitions Limited Fish4Homes Limited Mirrorgroup Limited Trinity Mirror Acquisitions (2) Limited Insider Group Limited Wirral Newspapers Limited Whitbread Walker Limited Insider Publications Limited The Advertiser Limited TM Tower Management Services Limited Export Magazine Distributors Limited O K Magazines Trading Co Limited Beaverbrook Newspapers Limited Blackfriars Leasing Ltd. Daily Express Limited Daily Star Limited Express Newspapers Properties Limited Express Printers Manchester Limited Express Property Management Limited Sunday Express Limited United Magazines Publishing Services Limited Burginhall 677 Limited OK! Magazine Holdings Limited Trinity Mirror Videos Limited Tower Magazines Limited O.K. Magazines Limited Sightline Publications Limited Trinity Mirror Digital 1 Limited The Green Magazine Company Limited Scottish Express Newspapers Limited Trinity Mirror Limited The Communicator Corporation Limited Timewith Limited Rippleffect Studio Ltd



Director	Current	Past
<b>Mark Hollinshead</b>	Hollicom Limited Hollicom Events Limited MH60 Consulting Ltd	Drew Henry Music Limited Nova Holdings Limited Athletics Weekly Limited Filmnova Scotland Limited The Newspaper Organisation Limited Scottish Daily Record and Sunday Mail Limited Reach Regionals Media Limited Reach Publishing Group Limited Reach Printing Services (Saltire) Limited Reach Printing Services (Oldham) Limited Reach Printing Services (Watford) Limited Reach Regionals Limited MGN Limited MGL2 Limited BPM Media (Midlands) Limited Media Scotland Limited Reach Printing Services Limited Reach plc The Newspaper Publishers Association Limited
<b>John Rowe</b>	Clicksco Jersey Limited Clicksco Digital Limited Clicksco FZ LLC (Dubai) My Expert Holdings Limited Distinctive Online Investments Limited (BVI) SevDotCom Limited (BVI) Eden Star FZE	IDM Software Jersey Limited IDM Software Limited Clicksco Labs Limited Social 360.com Limited Travel Junction Limited
<b>Steve Barber</b>	AA plc intu properties plc Fenwick Limited Design Objectives (Holdings) Limited Fitzroy Park Residents Limited The Objectivity Partnership LLP Steve Barber and Partners LLP Eleuthera Limited Kirbybrook Limited	Domino's Pizza Group plc Sense Products Limited Highgate Labs Limited Next plc DO Acquisition Limited Design Objectives Worldwide Limited Design Objectives Newco Limited

6.3 Save as disclosed at the date of this prospectus none of the Directors:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) has been associated with any bankruptcy, receivership or liquidation or company put into administration while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years; or
- (c) has been subject to any official public incrimination and/or sanction of them by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

- 6.4 None of the Directors has any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have.
- 6.5 Save as set out below, the Directors are not aware of any person who, directly or indirectly, had an interest in 3% or more of the voting rights of the Company as at the date of publication of this prospectus and immediately following completion of the Placing and Admission (on the basis that 50,000,000 Placing Shares will be issued pursuant to the Placing):

Shareholder	No. of Ordinary Shares prior to Placing	Percentage of Existing Issued Share Capital	No. of Ordinary Shares on Admission	Percentage of Enlarged Issued Share Capital
David Montgomery <sup>1</sup>	1,800,000	45%	18,200,000	33.70%
Alasdair Locke	—	—	5,000,000	9.26%
Canaccord Genuity	—	—	4,750,000	8.80%
Vijay Vaghela	1,800,000	45%	3,350,000	6.20%
Paul Curtis	—	—	2,695,000	4.99%
David Poutney	—	—	2,495,000	4.62%
Lorna Tilbian	—	—	1,850,000	3.43%
Nigel Spray	400,000	10%	400,000	0.74%
Mark Hollinshead	—	—	500,000	0.93%
Steve Barber	—	—	500,000	0.93%
John Rowe <sup>2</sup>	—	—	500,000	0.93%

1 Mr Montgomery's Ordinary Shares are held by Montgomery Media Limited, a private company controlled by him

2 Mr Rowe's Ordinary Shares are held by his wife, Lesley Ann Rowe

- 6.6 As at 15 September 2019 (being the latest practicable date prior to the publication of this prospectus), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 6.7 Those interested, directly or indirectly, in 3% or more of the issued Ordinary Shares of the Company (as set out in paragraph 6.5 above) do not now, and, following the Placing and Admission, will not, have different voting rights from other holders of Ordinary Shares.
- 6.8 None of the Directors, other than David Montgomery or Vijay Vaghela, holds Ordinary Shares or options in respect of Ordinary Shares.

## 7. WORKING CAPITAL

In the opinion of the Company, taking into account the Net Placing Proceeds receivable by the Company, the working capital available to the Company is sufficient for the Company's present requirements, that is, for at least 12 months from the date of this prospectus.

## 8. CAPITALISATION AND INDEBTEDNESS

As at the date of this prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's Issued Share Capital consists of 4,000,000 Ordinary Shares with no legal reserve or other reserves.

## 9. SIGNIFICANT CHANGE

There has been no significant change in the trading or financial position of the Company since 25 July 2019, being the date as at which the financial information contained in *Section B – Historical Financial Information on the Company of Part X – Financial Information on the Company* of this prospectus has been prepared.

There has been no significant change in the financial performance of the Group since 25 July 2019, being the date as at which the financial information contained in *Section B – Historical Financial Information on the Company of Part X – Financial Information on the Company* of this prospectus has been prepared, to the date of this prospectus.

## **10. CURRENT INVESTMENTS**

The Company has no current investments.

## **11. INVESTMENTS IN PROGRESS**

The Company has no investments in progress.

## **12. LITIGATION**

There are currently no proceedings against the Company and there have been no governmental, legal or arbitration proceedings and the Company is not aware of any governmental legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time since the Company's incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

## **13. NET PLACING PROCEEDS**

The total costs and expenses relating to the Placing which are payable by the Company are estimated to amount to £400,000 (excluding any applicable VAT) and accordingly the Net Placing Proceeds which the Company is expected to raise by the Placing are approximately £4,600,000.

## **14. MATERIAL CONTRACTS**

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company since the Company's incorporation which: (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this prospectus.

### **14.1 Dowgate engagement letter**

An engagement letter dated 1 July 2019 between the Company and Dowgate, pursuant to which the Company appointed Dowgate as its financial adviser and placing agent for the purposes of the Placing, this prospectus and Admission. Pursuant to the Dowgate engagement letter, the Company has agreed to pay to Dowgate a retainer fee of £5,000 per week (plus VAT, if applicable), with effect from 3 July 2019, for work undertaken in relation to Placing and Admission, capped at £50,000 (plus VAT, if applicable), and the £120,000 (plus VAT, if applicable) payable to Dowgate in the form of a corporate finance advisory fee shall be reduced by the amount of retainer fee duly incurred and payable as at the time of Admission.

The Company has also agreed to pay Dowgate the following commissions in relation to the Placing:

- (a) a commission (excluding VAT) equal to 3.5% on the aggregate value of the Placing Shares issued by the Company for cash in connection with the Placing, other than those Placing Shares issued to investors introduced by (i) Stanhope and Alvarium or (ii) the Directors; and
- (b) a commission (excluding VAT) equal to 0.5% on the aggregate value of the Placing Shares issued by the Company for cash in connection with the Placing to investors introduced by Stanhope and Alvarium, but not, for the avoidance of doubt, those investors introduced by the Directors.

The Dowgate engagement letter shall terminate upon Admission.

### **14.2 Stanhope and Alvarium engagement letter**

An engagement letter dated 17 July 2019 between the Company, Stanhope and Alvarium, pursuant to which the Company appointed Stanhope and Alvarium as financial advisers to the Company for the purposes of the Placing, this prospectus, Admission and, following Admission, in relation to future acquisitions.

The Stanhope and Alvarium engagement letter is terminable by either party on three months' notice, or on the basis of a material breach of the terms of the Stanhope and Alvarium engagement letter by the Company, as adjudged by Stanhope and Alvarium acting together,

reasonably and in good faith, and in the circumstances that it is so terminated, the Company has agreed to account to Stanhope and/or Alvarium, as applicable, for the success fees which would have otherwise been payable under (d) below for one year “tail period”. Pursuant to the Stanhope and Alvarium engagement letter the Company has agreed to pay:

- (a) on Admission, a fee of 2.75% (plus VAT if applicable) payable to Stanhope on the gross amount of capital raised by the Company prior to Admission from sources of capital introduced by Stanhope Capital into the Placing (subject to the below);
- (b) on Admission, a fee of 2.75% (plus VAT if applicable) payable to Alvarium on the gross amount of capital raised by the Company prior to Admission from sources of capital introduced by Alvarium into the Placing (subject to the below);
- (c) on Admission, an aggregate corporate finance advisory retainer in respect of the first year following Admission of £75,000 (plus VAT, if applicable) which shall be apportioned equally between Stanhope and Alvarium; and
- (d) a corporate finance advisory fee, which shall be apportioned 50%:50% as between Stanhope and Alvarium, based on Enterprise Value (defined below):
  - for post-Admission acquisitions up to £10,000,000 Enterprise Value – 3% (plus VAT, if applicable) of the Enterprise Value for each acquisition completed by the Company subject to a minimum fee of £100,000 for each acquisition.
  - for post-Admission acquisitions between £10,000,000 and £20,000,000 Enterprise Value – 2% (plus VAT, if applicable) of the Enterprise Value for each acquisition completed by the Company subject to a minimum fee of £300,000 for each acquisition.
  - for post-Admission acquisitions between £20,000,000 and £200,000,000 Enterprise Value – 1.25% (plus VAT, if applicable) of the Enterprise Value for each acquisition completed by the Company subject to a minimum fee of £400,000 for each acquisition.
  - for post-Admission acquisitions above £200,000,000 Enterprise Value – 1% (plus VAT, if applicable) of the Enterprise Value for each acquisition completed by the Company subject to a minimum fee of £2,500,000 for each acquisition,

where “Enterprise Value” shall not include pension deficits or any upfront funding of pensions schemes, but shall include any deferred considerations which are not contingent.

#### 14.3 **Placing Agreement**

A Placing Agreement dated 13 September 2019 between the Company, Dowgate and the Directors pursuant to the terms of which Dowgate has agreed to use its reasonable endeavours to procure placees for the Placing Shares at the Placing Price, as the Company’s agents in the Placing.

The Placing Agreement contains certain warranties, indemnities and undertakings from the Company in favour of Dowgate and is conditional, *inter alia*, on:

- (a) the allotment of the Placing Shares;
- (b) there being no breach of warranty under the Placing Agreement; and
- (c) Admission occurring by not later than 8:00 a.m. on 30 September 2019 (or such other time and/or date as Dowgate and the Company may agree).

In addition, the Placing Agreement contains certain warranties and undertakings from the Directors in favour of Dowgate.

Dowgate may terminate the agreement in certain circumstances prior to Admission, but not following Admission, including, *inter alia*, if there shall have been a material adverse change in respect of the Company or if the Company is in material breach of the Placing Agreement or of applicable law in connection with the Placing.

The Placing Agreement provides for Dowgate to receive, conditional upon Admission:

- (i) a corporate advisory fee of £120,000 (plus VAT, if applicable);
- (ii) a commission (excluding VAT) equal to 3.5% on the aggregate value of the Placing Shares issued by the Company for cash in connection with the Placing, other than those Placing Shares issued to investors introduced by (a) Stanhope and Alvarium or (b) the Directors; and
- (iii) a commission (excluding VAT) equal to 0.5% on the aggregate value of the Placing Shares issued by the Company for cash in connection with the Placing to investors introduced by Stanhope and Alvarium, but not, for the avoidance of doubt, those investors introduced by the Directors.

#### 14.4 ***Lock-in and orderly market agreement***

Each of the Directors and Montgomery Media Limited (a private limited company controlled by David Montgomery) has entered into a lock-in and orderly market agreement dated 2 August 2019 with the Company and Dowgate pursuant to which they have agreed that, during the period commencing at Admission and ending on the first anniversary of Admission, they will not sell, pledge or otherwise dispose of any Ordinary Shares and for a period of 12 months thereafter they will not sell, pledge or otherwise dispose of any Ordinary Shares except through Dowgate and in such orderly manner as Dowgate may determine so as to ensure an orderly market for the issued share capital of the Company.

The restrictions on the ability of each of the Directors and Montgomery Media Limited (a private limited company controlled by David Montgomery) to transfer their or its (as applicable) Ordinary Shares, are subject to certain usual and customary exceptions for: transfers pursuant to the acceptance of, or provision of, an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms, transfers pursuant to an offer by or an agreement with the Company to purchase Ordinary Shares made on identical terms to all Shareholders or transfers as required by an order made by a court with competent jurisdiction.

#### 14.5 ***Registrar Agreement***

The Company and the Registrar have entered into an agreement dated 31 July 2019 pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs (the “**Registrar Agreement**”).

The Registrar is entitled to receive the annual fee for creation and maintenance of the share register will be £1 per holder of ordinary shares appearing on the register during the fee year, with a minimum charge per annum of £5,000 for the provision of its services under the Registrar Agreement.

In addition to the annual fee, the Registrar is entitled to reimbursement for all out-of-pocket expenses incurred by it in the performance of its services.

The Registrar Agreement shall continue for an initial period of three years and thereafter will automatically renew for successive periods of 12 months unless and until terminated upon written notice by either party, by giving not less than six months’ written notice. In addition, the agreement may be terminated as soon as reasonably practicable if either party (i) commits a material breach of the agreement which has not been remedied within 45 days of a notice requesting the same; (ii) goes into liquidation (except voluntary) or becomes bankrupt or insolvent.

### 15. **RELATED PARTY TRANSACTIONS**

#### 15.1 ***Non-executive Directors’ letters of appointment***

Each of John Rowe, Mark Hollinshead and Steve Barber have entered into a non-executive Director’s letter of appointment dated the date of Admission with the Company in respect of his appointment as a Director. Each letter is conditional upon Admission and, should Admission not take place by 30 September 2019, the parties shall be released from their respective rights and obligations under such appointment letters.

Under the terms of the appointment letters, a fee of £3,000 per annum is payable until the Company completes a transaction constituting a reverse takeover. Fees will thereafter be set by the Remuneration Committee, in light of the size of an acquisition and other relevant factors and will accrue on a daily basis and will be payable in equal monthly instalments in arrears on the last Business Day of each month (or as otherwise agreed).

Each of the Directors appointments as a non-executive director of the Company, shall (subject to limited exceptions) be subject to termination by either party on three months' written notice.

## 15.2 **Service Agreements**

- (a) David Montgomery entered into a service agreement with the Company in 1 August 2019 with respect to his appointment as Executive Chairman of the Company and Director jointly responsible for implementation of an acquisition strategy. Mr Montgomery's service agreement provides for him to be employed on a part-time basis by the Company from the date of Admission.

Mr Montgomery's service agreement is initially capable of termination by either party giving one month's notice in writing, which period automatically extends to 12 months on completion of an acquisition. Mr Montgomery is entitled to a fee of £5,000 per annum until the completion of an acquisition at which point the Remuneration Committee will determine a salary based on the size of an acquisition and other relevant factors.

- (b) Vijay Vaghela entered into a service agreement with the Company in 1 August 2019 with respect to his appointment as Chief Operating Officer of the Company and Director jointly responsible for implementation of an acquisition strategy. Mr Vaghela's service agreement provides for him to be employed on a part-time basis by the Company from the date of Admission.

Mr Vaghela's service agreement is initially capable of termination by either party giving one month's notice in writing, which period automatically extends to 12 months on completion of an acquisition. Mr Vaghela is entitled to a fee of £5,000 per annum until the completion of an acquisition at which point the Remuneration Committee will determine a salary based on the size of an acquisition and other relevant factors.

## 15.3 **Value Creation Plan**

The Company's remuneration policy will seek to provide a strong and clear link between business strategy and incentive arrangements. The National World Value Creation Plan ("**VCP**"), effective as at the time of Admission, is intended to support the delivery of the Company's strategy, to retain the lead executives and reward them for driving its successful delivery. The VCP will be the Company's sole long term incentive plan in the initial period following Admission. Set out below is a summary of the principal features of the VCP.

- (a) *Overview*

The VCP is a discretionary share plan. Under the VCP, the Remuneration Committee may, within certain limits, grant to eligible employees (i) conditional awards (i.e. a conditional right to acquire ordinary shares) ("**Conditional Awards**") and/or (ii) options over ordinary shares ("**Options**") which will allow the participant to acquire ordinary shares in the Company (together, the "**Awards**").

- (b) *Eligibility*

Participation in the VCP is only available to employees of the Group ("**Participants**").

- (c) *Grant of Awards*

Participants will be granted an Award giving them a right to acquire a number of Ordinary Shares, which shall be calculated using a formula based on the equity value created for shareholders over the VCP performance period. The initial VCP performance period comprises the period commencing on Admission and ending on the date of publication of the Company's results in respect of the Company's financial year ending 31 December 2022 ("**Performance Period**").



(d) *Structure of Awards*

The VCP will provide Participants with a pool of ordinary shares with a value equal to 10% of any cumulative shareholder value created above a compound hurdle rate of 8% per annum (the “**Formula**”). This will be measured from a base share price equal to the Placing Price.

At the outset, entitlements of participants in the pool of returns are split as follows:

- David Montgomery – up to a maximum of 35%
- Vijay Vaghela – up to a maximum of 35%
- Unallocated – up to a maximum of 30%

It is intended that any additional grants made under the VCP from the ‘Unallocated’ portion of the pool would be subject to the same Formula.

Shareholder value created will be tested by reference to the Company’s average share price over the 20 dealing days commencing on the final date in the Performance Period, and Awards will vest on the 20th such dealing day.

(e) *Performance and other conditions*

The Formula may be varied or substituted if the Remuneration Committee considers it appropriate, provided the Remuneration Committee considers that the new performance conditions underlying the new formula are reasonable and are not materially more or less difficult to satisfy than the original conditions.

The Remuneration Committee may also impose other conditions on the vesting of Awards.

(f) *Malus*

The Remuneration Committee may decide, at any time prior to the vesting of Awards, that the number of ordinary shares subject to an Award shall be reduced (including to nil) on such basis that the Remuneration Committee in its discretion considers to be fair and reasonable, where the Remuneration Committee determines that one or more of the following trigger events have occurred:

- (i) the discovery of a material misstatement resulting in an adjustment in the audited accounts of the Company or any Group company; and/or
- (ii) the gross misconduct of the Participant; and/or
- (iii) fraud effected by or with the knowledge of the Participant.

(g) *Clawback*

The Remuneration Committee may require a Participant to transfer to the Company all or some of the ordinary shares acquired, or pay certain amounts to the Company, in the period of two years following the vesting of an Award or an Option in the same circumstances as apply to malus (paragraph 15.3(f)(iii)).

(h) *Vesting and exercise*

Awards will normally vest, and Options will normally become exercisable, on the 20th day following the end of the Performance Period subject to the application of the Formula. The Remuneration Committee will have the discretion to settle Awards in cash. Options will normally remain exercisable for two years following the vesting date.

If the Company is admitted to a Premium Listing on the vesting date, a two-year holding period (running from the vesting date) will apply to shares acquired or to be acquired pursuant to Awards, save that sufficient shares may be sold to satisfy the Participant’s liability to income tax and UK National Insurance contributions, and to pay the applicable exercise price (which is expected to be equal to the nominal value of a share).

(i) *Cessation of employment*

Except in certain circumstances, set out below, an Award will lapse immediately upon a Participant ceasing to be employed by or holding office with the Group.

If a Participant so ceases because of his death, ill-health, injury, disability, redundancy, retirement with the agreement of his employer, the Participant being employed by a company which ceases to be a Group company or being employed in an undertaking which is transferred to a person who is not a Group company or in other circumstances at the discretion of the Remuneration Committee (each, a “**Good Leaver Reason**”), his Award will ordinarily vest on the date when it would have vested if he had not so ceased to be a Group employee or Director (or such earlier date as the Remuneration Committee determines), subject to: (x) the application of the Formula over the original Performance Period (or such shorter period as is applicable); and (y) pro rating to reflect the reduced period of time between Admission and the Participant’s cessation of employment as a proportion of the normal vesting period.

To the extent that Options vest for a Good Leaver Reason, they may be exercised for a period of three months following vesting (or such longer period as the Remuneration Committee determines) (12 months in the case of death) and will otherwise lapse at the end of that period.

(j) *Corporate events*

In the event of a takeover, scheme of arrangement, demerger or winding-up of the Company, Awards will vest in full and Options will become immediately exercisable on the date of the corporate event, subject to the application of the Formula over the period to the change of control. Alternatively, Participants may be allowed to exchange their Awards and/or Options for options over shares in the acquiring company.

(k) *Awards not transferable*

Awards granted under the VCP are not transferable other than to the Participant’s personal representative in the event of his death.

(l) *Limits*

The VCP may operate over new issue ordinary shares, treasury ordinary shares or ordinary shares purchased in the market. Under the VCP, the maximum aggregate number of ordinary shares in the company that can be issued to satisfy awards under the VCP to all participants is limited to 10 of the company’s issued share capital at the relevant time.

(m) *Variation of capital*

If there is a variation of share capital of the Company or in the event of a demerger or other distribution, special dividend or distribution, the Remuneration Committee may make such adjustments to Awards granted under the VCP including the number of Ordinary Shares subject to Awards and the Option exercise price (if any), as it considers to be fair and reasonable.

(n) *Dividends*

No dividends or dividend equivalents shall be paid prior to vesting of an Award. Dividend equivalents shall accrue from the vesting date of an Option until the date on which it is exercised.

(o) *Rights attaching to shares*

Ordinary shares issued and/or transferred under the VCP will not confer any rights on any Participant until the relevant Award has vested or the relevant Option has been exercised and the Participant in question has received the underlying ordinary shares. Any ordinary shares allotted when an Option is exercised or an Award vests will rank equally with ordinary shares then in issue (except for rights arising by reference to a record date prior to their issue).

(p) *Amendments*

The Remuneration Committee may amend the provisions of the VCP in any respect. Shareholder approval must be obtained in the case of any amendment to the advantage of Participants which is made to the provisions relating to eligibility of individual or overall limits, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval. The Company may make minor amendments to benefit the administration of the VCP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company and/or its other Group companies. Amendments may not adversely affect the rights of Participants except where Participants are notified of such amendment and the majority of Participants (by number of ordinary shares held under subsisting Awards) approve such amendment.

(q) *Benefits not pensionable*

The benefits received under the VCP are not pensionable.

**15.4 *National World plc Employee Benefit Trust***

The National World Employee Benefit Trust (“**EBT**”) has been established by the Company as a discretionary employee benefit trust. The trustee of the EBT is Estera Trust (Jersey) Limited. The class of beneficiaries of the EBT includes employees and former employees of the Group and their dependants. The EBT does not currently hold any Ordinary Shares.

It is proposed that, going forward, Ordinary Shares will be acquired by the EBT using funds loaned to it by the Company which may be used to satisfy awards granted under the VCP.

**15.5 *Other related party transactions***

Save as set out in paragraphs 2.5, 2.7, 15.1, 15.2, 15.3 and 15.4 above and the Placing Shares subscribed for by the Directors in the Placing as detailed in paragraph 6.5 above, from 29 May 2019 (being the Company’s date of incorporation) up to and including the date of this prospectus, the Company has not entered into any related party transactions.

**16. ACCOUNTS**

The Company’s annual report and accounts will be made up to 31 December in each year, with the first annual report and accounts covering the period from incorporation on 29 May 2019 to 31 December 2019. It is expected that the Company will make public its annual report and accounts within four months of each financial year end (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year end (or earlier if possible). The Company has also prepared historical financial information for the period from incorporation on 29 May 2019 to 25 July 2019.

**17. GENERAL**

- 17.1 On 29 July 2019, Crowe U.K. LLP whose address is St. Bride’s House, 10 Salisbury Square, London EC4Y 8EH, United Kingdom were appointed as the first auditor of the Company. Crowe U.K. LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and the Financial Reporting Council.
- 17.2 Crowe U.K. LLP has given and has not withdrawn its consent to the inclusion in this prospectus of its accountant’s report in Section A of *Part X – Financial Information on the Company* of this prospectus in the form and context in which it is included and has authorised the contents of that report for the purposes of PR 5.3.2R(2)(f) of the Prospectus Regulation Rules.
- 17.3 Dowgate Capital Limited has given and not withdrawn its written consent to the inclusion in this prospectus of its name and reference thereto in the forms and contexts in which it appears.
- 17.4 Stanhope Capital LLP has given and not withdrawn its written consent to the inclusion in this prospectus of its name and reference thereto in the forms and contexts in which it appears.

- 17.5 Alvarium MB (UK) Limited has given and not withdrawn its written consent to the inclusion in this prospectus of its name and reference thereto in the forms and contexts in which it appears.
- 17.6 The Company has not had any employees since its incorporation and does not own any premises.
- 17.7 The total expenses incurred (or to be incurred) by the Company in connection with Admission, the Placing and the incorporation (and initial capitalisation) of the Company are approximately £400,000 (excluding VAT). The estimated Net Placing Proceeds (given that £5,000,000 of gross proceeds has been raised by way of the Placing), after deducting fees and expenses in connection with Admission and the Placing, are approximately £4,600,000.
- 17.8 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

## **18. THIRD PARTY SOURCES**

The Company confirms that information sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Estimates extrapolated from these data involve risks and uncertainties and are subject to change based on various factors, including those discussed in *Part II – Risk Factors* of this prospectus. There is only a limited amount of independent data available about certain aspects of the industry in which the Company intends to operate and no objective or reliable data on the position of the Company relative to its competitors. As a result, certain data and information about its market contained in this prospectus are based on good faith estimates reflecting the Company's reasonable review of internal data and information obtained from other third party sources, such as trade and business organisations and associations and governmental bodies and industry regulators. The Company believes these internal management assessments to be reasonably held; however, no independent sources have verified such assessments.

## **19. NO INCORPORATION OF INFORMATION BY REFERENCE**

The contents of the websites of the Company (including any materials which are hyper-linked to such websites) do not form part of this prospectus and prospective investors should not rely on them.

## **20. AVAILABILITY OF DOCUMENTS**

- 20.1 Copies of the following documents may be inspected at the registered office of the Company at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT, United Kingdom during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this prospectus until Admission and completion of the Placing:
- (a) the Articles;
  - (b) the accountant's report set out in *Section A of Part X – Financial Information on the Company* of this prospectus; and
  - (c) this prospectus.
- 20.2 In addition, this prospectus will be published in electronic form and be available on the Company's website at [www.nationalworld.com](http://www.nationalworld.com) subject to certain access restrictions applicable to persons located or resident outside the UK.

Date: 16 September 2019

## PART XIV

### DEFINITIONS

The following definitions apply throughout this prospectus (unless the context requires otherwise):

<b>“Admission”</b>	admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the Main Market of the London Stock Exchange;
<b>“Affiliate” or “Affiliates”</b>	an affiliate of, or person affiliated with, a person; a person that, directly or indirectly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified;
<b>“AGM”</b>	an Annual General Meeting of the Company;
<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange;
<b>“Alvarium”</b>	Alvarium MB (UK) Limited, an appointed representative of Alvarium Re Limited;
<b>“Articles”</b>	articles of association of the Company in force from time to time;
<b>“Audit Committee”</b>	the audit committee of the Board;
<b>“BBC”</b>	British Broadcasting Corporation;
<b>“Business Day”</b>	any day (other than a Saturday or Sunday) or an English bank or public holiday;
<b>“CC”</b>	Competition Commission;
<b>“certificated” or “in certificated form”</b>	in relation to, as the case may be, a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (i.e., not in CREST);
<b>“Change of Control”</b>	an acquisition of Control of the Company by any person or party (or by any group of persons or parties who are acting in concert);
<b>“CMA”</b>	Competition and Markets Authority;
<b>“Concert Party”</b>	(1) David Montgomery; (2) Vijay Vaghela; and (3) Alasdair Locke;
<b>“Companies Act”</b>	the Companies Act 2006;
<b>“Company” or “National World”</b>	National World plc, a company incorporated in England and Wales with registered number 12021298;
<b>“Company Financial Information”</b>	the audited historical financial information of the Company from the date of incorporation on 29 May 2019 to 25 July 2019;
<b>“Control”</b>	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged

	to comply; and/or (ii) the holding beneficially of more than 50% of the issued shares of the Company (excluding any issued shares that carry no right to participate beyond a distribution of either profits or capital), but excluding in the case of each of (i) and (ii) above any such power or holding that arises as a result of the issue of Ordinary Shares by the Company in connection with an acquisition;
<b>“CREST” or “CREST System”</b>	the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
<b>“Directors” or “Board”</b>	the directors of the Company, whose names appear in <i>Part VII – The Company, Board and Strategy</i> of this prospectus, or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;
<b>“Disclosure Guidance and Transparency Rules” or “DTRs”</b>	the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of FSMA;
<b>“Dowgate”</b>	Dowgate Capital Limited;
<b>“DMGT”</b>	Daily Mail and General Trust plc;
<b>“EBT”</b>	National World plc Employee Benefit Trust;
<b>“EEA”</b>	the European Economic Area;
<b>“EEA Member States”</b>	the member states of the EEA;
<b>“Enlarged Issued Share Capital”</b>	the issued share capital of the Company following the Placing;
<b>“Enterprise Act”</b>	Enterprise Act 2000, as amended by the ERRA;
<b>“ERRA”</b>	Enterprise and Regulatory Reform Act 2013;
<b>“EU”</b>	the European Union;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Existing Issued Share Capital”</b>	the issued share capital of the Company as at the time of this prospectus;
<b>“Existing Ordinary Shares”</b>	4,000,000 Ordinary Shares of nominal value 0.1 pence each in the capital of the Company in issue as at the date of this prospectus;
<b>“FCA”</b>	the UK Financial Conduct Authority;
<b>“Finance Act”</b>	Finance Act 1986;
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000;
<b>“GDPR”</b>	the General Data Protection Regulation (EU) 2016/679;
<b>“general meeting”</b>	a meeting of the Shareholders of the Company or a class of Shareholders of the Company (as the context requires);
<b>“Group”</b>	the Company as enlarged by an acquisition or acquisitions of target businesses or companies, which become its subsidiaries or subsidiary undertakings from time to time;
<b>“Historical Financial Investors”</b>	the historical financial information relating to the Company set out in Section B of <i>Part X – Historical Financial Information</i> on the Company of this prospectus;



<b>"HMRC"</b>	Her Majesty's Revenue & Customs;
<b>"IFRS"</b>	International Financial Reporting Standards, as adopted by the EU;
<b>"IFRS IC"</b>	IFRS interpretations committee;
<b>"Iliffe"</b>	the Iliffe family who control Yattendon Group plc;
<b>"IPSO"</b>	Independent Press Standards Organisation;
<b>"LEI"</b>	legal entity identifier;
<b>"Listing Rules"</b>	the listing rules made by the FCA under section 73A of FSMA;
<b>"Local World"</b>	Local World Limited;
<b>"London Stock Exchange"</b>	London Stock Exchange plc;
<b>"Main Market"</b>	main market for listed securities of the London Stock Exchange;
<b>"Market Abuse Regulation"</b>	the Market Abuse Regulation (EU) No. 596/2014;
<b>"Money Laundering Regulations"</b>	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;
<b>"Net Placing Proceeds"</b>	the funds received on closing of the Placing less any expenses paid or payable in connection with Admission, the Placing and the incorporation (and initial capitalisation) of the Company;
<b>"Official List"</b>	the official list maintained by the FCA;
<b>"OFT"</b>	Office of Fair Trading;
<b>"Order"</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;
<b>"ordinary resolution"</b>	a resolution of Shareholders requiring a simple majority of not less than 50%;
<b>"Ordinary Shares"</b>	the ordinary shares of nominal value 0.1 pence each in the capital of the Company including, if the context requires, the Placing Shares;
<b>"Performance Period End Date"</b>	the date of the publication of the Company's results for the financial year ending 31 December 2022;
<b>"Placees"</b>	those persons who have signed placing letters;
<b>"Placing"</b>	the conditional placing of 50,000,000 Placing Shares by the Company at the Placing Price and on the terms and subject to the conditions of the Placing Agreement;
<b>"Placing Agreement"</b>	the agreement dated 13 September 2019 between the Company, the Directors and Dowgate relating to the Placing, further information of which is set out in paragraph 14.3 of <i>Part XIII – Additional Information</i> of this prospectus;
<b>"Placing Price"</b>	10 pence per Placing Share;
<b>"Placing Shares"</b>	the new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing;
<b>"PM"</b>	UK Prime Minister;
<b>"Premium Listing"</b>	a premium listing under Chapter 6 of the Listing Rules;

<b>“PRP”</b>	Press Recognition Panel;
<b>“prospectus”</b>	this document, which comprises a prospectus prepared in accordance with the Prospectus Regulation Rules;
<b>“Prospectus Regulation”</b>	Regulation (EU) 2017/1129;
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA;
<b>“Qualified Investors”</b>	persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation;
<b>“Reach”</b>	Reach plc;
<b>“Register”</b>	the register of holders of Ordinary Shares to be maintained by the Registrar;
<b>“Registrar”</b>	Link Market Services or any other registrar appointed by the Company from time to time;
<b>“Registrar Agreement”</b>	the registrar agreement dated 31 July 2019 between the Company and the Registrar;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 ( <i>SI 2001 No. 3755</i> );
<b>“Relevant Persons”</b>	in the UK, Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within article 19(5) of the Order, (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom it may otherwise lawfully be communicated;
<b>“Remuneration Committee”</b>	the remuneration committee of the Board;
<b>“Restricted Jurisdiction”</b>	the United States, Canada, Japan, Australia and the Republic of South Africa;
<b>“Reverse Takeover”</b>	a reverse takeover as defined in the Listing Rules;
<b>“RIS”</b>	a Regulatory Information Service;
<b>“Securities Act”</b>	US Securities Act of 1933;
<b>“Share Dealing Code”</b>	the Company’s policy on director dealings in securities which is consistent with the Market Abuse Regulation;
<b>“Shareholder”</b>	a holder of Ordinary Shares and/or Placing Shares, as the context requires;
<b>“special resolution”</b>	a resolution of Shareholders requiring a majority of not less than 75%;
<b>“Standard Listing”</b>	a standard listing under Chapter 14 of the Listing Rules;
<b>“Stanhope”</b>	Stanhope Capital LLP;
<b>“Subscription”</b>	the subscriptions on 29 May 2019 and 25 July 2019 for, in aggregate, 4,000,000 Ordinary Shares by David Montgomery, Vijay Vaghela and Nigel Spray to raise £100,000;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers;
<b>“Takeover Panel”</b>	the UK Panel on Takeovers and Mergers;

<b>“Trinity Mirror”</b>	Trinity Mirror plc;
<b>“UK Corporate Governance Code”</b>	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time;
<b>“uncertificated” or “uncertificated form”</b>	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States” or “US”</b>	the United States of America;
<b>“US Investment Company Act”</b>	US Investment Company Act of 1940;
<b>“US Securities Act”</b>	US Securities Act of 1933;
<b>“US Person”</b>	any person who is a US person as defined under the Securities Act;
<b>“VAT”</b>	(i) within the EU, any tax imposed by any EU member state in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition;
<b>“VCP”</b>	the value creation plan put in place on Admission to support the delivery of the Company’s strategy; and
<b>“Vesting Date”</b>	the 21st dealing day following the Performance Period End Date.

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

All references to legislation or regulation in this prospectus are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, supplement, re-enactment or extension thereof. Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

For the purpose of this prospectus, “subsidiary” and “subsidiary undertaking” have the meanings given by the Companies Act.

## **PART XV**

### **TERMS AND CONDITIONS OF THE PLACING**

#### **1. INTRODUCTION**

- 1.1 Each Placee which confirms its agreement (whether orally or in writing) to Dowgate to acquire the Placing Shares pursuant to the Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 Dowgate may require any Placee procured by it to agree to such further terms and/or conditions and/or give such additional warranties and/or representations or other information as Dowgate (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter.

#### **2. AGREEMENT TO ACQUIRE NEW ORDINARY SHARES**

Conditional on: (i) Admission occurring and becoming effective by 8:00 a.m. London time on or prior to 30 September 2019 (or such later time and/or date as the Company and Dowgate may agree); (ii) the Placing Agreement becoming otherwise unconditional in all respects; and (iii) Dowgate confirming to Placees their allocation of Placing Shares, a Placee irrevocably agrees to become a member of the Company and irrevocably agrees to subscribe for those Placing Shares allocated to it by Dowgate at the Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have. Each Placee is deemed to acknowledge receipt of, and fully understand, this prospectus and, in particular, the risk associated with an investment in the Company and the investment warnings contained in this prospectus.

#### **3. PAYMENT FOR SHARES**

- 3.1 Each Placee must pay the Placing Price for the Placing Shares issued to the Placee in the manner and by such time as directed by Dowgate (and otherwise in accordance with the terms of the Placing Letter). If any Placee fails to pay as so directed and/or by the time required by Dowgate, the relevant Placee's application for the Placing Shares may, at the discretion of Dowgate, either be terminated, rejected or accepted and in the latter case paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the Placing Price for the Placing Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Dowgate elects to accept that Placee's application, Dowgate may sell all or any of the Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Dowgate's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

#### **4. REPRESENTATIONS AND WARRANTIES**

By agreeing to subscribe for Placing Shares, each Placee which enters into a commitment with Dowgate to subscribe for Placing Shares will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to Dowgate, the Registrar, the Company and their respective officers, agents and employees that:

- 4.1 it is not a US Person, is not located within the United States and is not acquiring the Placing Shares for the account or benefit of a US Person;
- 4.2 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this prospectus or any other presentation or offering materials concerning the Placing Shares into or within the United States or to any US Persons, nor will it do any of the foregoing;

- 4.3 it is relying solely on this prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, Dowgate nor the Registrar nor any of their respective officers, agents or employees will have any liability for any other information, representation or statement made or purported to be made by them or on its or their behalf in connection with the Company or the Placing and irrevocably and unconditionally waives any rights it may have in respect of any other information, representation or statement;
- 4.4 if the laws of any territory or jurisdiction outside England and Wales are applicable to or otherwise affect its agreement to subscribe for Placing Shares under the Placing, it has complied with all such laws, obtained all governmental and other consents, licences and authorisations which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the breach, whether by itself, the Company, Dowgate, the Registrar or any of their respective directors, officers, agents or employees, of the regulatory or legal requirements, directly or indirectly, of any such territory or jurisdiction in connection with the Placing;
- 4.5 it has carefully read and understands this prospectus in its entirety and acknowledges that it is acquiring Placing Shares on the terms and subject to the conditions set out in this *Part XV – Terms and Conditions of the Placing* of this prospectus and the Articles as in force at the date of Admission and agrees that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Placing Shares;
- 4.6 it has not relied on Dowgate or any person affiliated with Dowgate;
- 4.7 the content of this prospectus is exclusively the responsibility of the Company and the Directors and neither Dowgate nor any person acting on its behalf nor any of its Affiliates is responsible for or shall have any liability for any information, representation or statement contained in this prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this prospectus or otherwise;
- 4.8 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Dowgate or the Company;
- 4.9 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act;
- 4.10 it acknowledges that the Placing Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the US Investment Company Act;
- 4.11 it accepts that none of the Placing Shares have been or will be registered under the laws of any Restricted Jurisdiction. Accordingly, the Placing Shares may not be offered, sold or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.12 it acknowledges that the Company has not registered under the US Investment Company Act) and that the Company has put in place restrictions for transactions not involving any public offering in the United States, to ensure that the Company is not and will not be required to register under the US Investment Company Act;

- 4.13 it is acquiring the Placing Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Placing Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- 4.14 if it is within the UK, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Placing Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the UK would apply, it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.15 if it is a resident in the EEA (other than the UK), it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ("**Qualified Investors**");
- 4.16 in the case of any Placing Shares acquired by an investor as a financial intermediary as that term is used in the Prospectus Regulation: (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any EEA Member State other than Qualified Investors, or in circumstances in which the prior consent of Dowgate has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any EEA Member State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- 4.17 if it is outside the UK, neither this prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other legal or regulatory requirements;
- 4.18 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 4.19 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the UK) on the date of such Placee's agreement to subscribe for Placing Shares under the Placing and will not be any such person on the date any such Placing is accepted;
- 4.20 the Placee is not a national, resident or citizen of Canada, Japan, Australia, the Republic of South Africa or any other entity incorporated in any such jurisdiction;
- 4.21 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this prospectus or any other offering materials concerning the Placing or the Placing Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- 4.22 it is acknowledged that neither Dowgate nor any of its Affiliates (which, for the avoidance of doubt, in this prospectus includes any person acting on its behalf) is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing, and that participation in the Placing is on the basis that it is not and will not be a client of Dowgate or its Affiliates who do not have any duties or responsibilities to a Placee for providing protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities required to be given in connection with its application under the Placing;



- 4.23 it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account:
- (i) to subscribe for the Placing Shares for each such account;
  - (ii) to make on each such account's behalf the representations, warranties and agreements set out in this prospectus; and
  - (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by Dowgate. It agrees that the provisions of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- 4.24 it irrevocably appoints any director of the Company and any director of Dowgate to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under the Placing, in the event of the failure of it to do so;
- 4.25 it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to the Official List or to trading on the London Stock Exchange for any reason whatsoever then neither Dowgate nor the Company nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives shall have any liability whatsoever to it or any other person;
- 4.26 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering including the Proceeds of Crime Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations together with any regulations and guidance issued pursuant thereto or (ii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Regulations;
- 4.27 it acknowledges that due to the Money Laundering Regulations, Dowgate, the Company and/or their agents may require proof of identity and verification of the source of the payment before an application to participate in the Placing can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, Dowgate, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Dowgate, the Company and/or their agents against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- 4.28 it acknowledges that the Company and/or Dowgate may hold and process personal data (as defined in the GDPR relating to past and present shareholders, and it agrees that such personal data relating to Placees may be processed (as defined in the GDPR) by the Company and/or Dowgate for the following purposes, being: (i) process its personal data to the extent and in such manner as is necessary for the performance of their obligations under the contractual arrangements between them, including as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it; (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares; (c) provide personal data to such third parties as the Company and/or Dowgate may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the GDPR may require, including to third parties outside the EEA; (d) without limitation, provide such personal data to their respective affiliates for processing, notwithstanding that any such party may be outside the EEA; and (e) process its personal data for the Company's and/or Dowgate's internal administration;

- 4.29 Dowgate and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- 4.30 the representations, undertakings and warranties contained in this prospectus are irrevocable. It acknowledges that Dowgate, and the Company and their respective Affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or agreements made or deemed to have been made by its subscription of the Placing Shares are no longer accurate, it shall promptly notify Dowgate and the Company;
- 4.31 where it or any person acting on behalf of it is dealing with Dowgate any money held in an account with Dowgate on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Dowgate to segregate such money, as that money will be held by Dowgate under a banking relationship and not as trustee;
- 4.32 any of its clients, whether or not identified to Dowgate, will remain its sole responsibility and will not become clients of Dowgate or, for the purposes of the rules of the FCA or for the purposes of any statutory or regulatory provision;
- 4.33 it accepts that the allocation of Placing Shares shall be determined by Dowgate in its absolute discretion (after consultation with the Company) and that such persons may scale back any Placing commitments (under the Placing) for this purpose on such basis as they may determine;
- 4.34 it authorises Dowgate to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Company) payable on the number of Placing Shares allocated to it under the Placing;
- 4.35 time shall be of the essence as regard its obligations to settle payment for the Placing Shares and to comply with their other obligations under the Placing; and
- 4.36 The Company, Dowgate, the Registrars and their respective officers, agents and employees will rely upon the truth and accuracy of the foregoing representations and warranties.

## **5. SUPPLY AND DISCLOSURE OF INFORMATION**

If Dowgate, the Registrar or the Company or any of their agents request any information about a Placee's agreement to purchase Placing Shares under the Placing, such Placee must promptly disclose it to them.

## **6. MISCELLANEOUS**

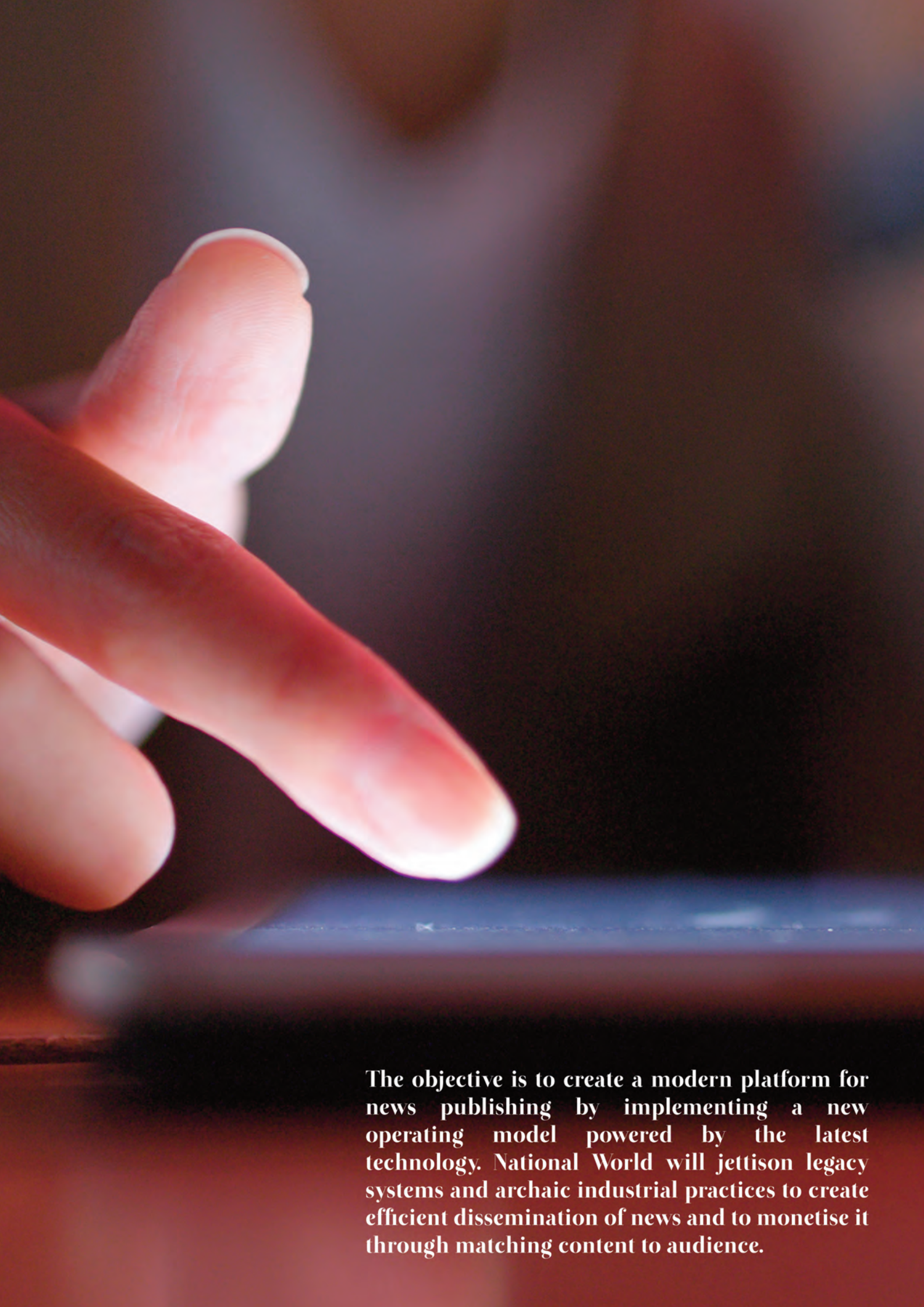
- 6.1 The rights and remedies of Dowgate, the Registrar, the Company, the Board and their respective Affiliates under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 6.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally to Dowgate the jurisdiction in which its funds are managed or owned. All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Dowgate.
- 6.3 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Placing Shares that the Placee has agreed to subscribe pursuant to the Placing have been acquired by the Placee.
- 6.4 The contract to subscribe for Placing Shares under the Placing and the appointments and authorities mentioned in this prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Dowgate, the Registrar and the Company each Placee irrevocably submits to the exclusive jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such courts on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

- 6.5 In the case of a joint agreement to purchase Placing Shares under the Placing, references to a “Placee” in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 6.6 Dowgate and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.
- 6.7 The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, which will be satisfied prior to Admission, and the Placing Agreement not having been terminated. In the event that the Placing does not complete, Admission will not take place. Further details of the terms of the Placing Agreement are contained in paragraph 14.3 of *Part XIII – Additional Information* of this prospectus.









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