Company number 123821

SAFE HARBOUR

Annual Report and Financial Statements

From incorporation
to 31 December 2017

SAFE HARBOUR HOLDINGS PLC

Company number 123821

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I hereby present to our Shareholders the Annual Report and Financial Statements for the period from 26 August 2016, the date of incorporation of the first member of the Group, to 31 December 2017, consolidating the results of Safe Harbour Holdings plc ("the Company"), Safe Harbour Holdings UK Limited and Safe Harbour Holdings Jersey Limited (collectively, the "Group" or "Safe Harbour").

Strategy

Safe Harbour aims to become a global leader in B2B distribution and/or business services, through a well-executed buy-and-build strategy. As a team, we intend to draw upon our managerial and operational experience in consolidation and integration to drive business transformation to achieve attractive, long-term compounding returns for our Shareholders.

Safe Harbour intends to initially acquire a controlling stake in a platform asset of scale, which operates in a sector demonstrating a large addressable market opportunity, a steady growth outlook, and a high level of fragmentation allowing the deployment of a meaningful buy-and-build strategy to capitalise on economies of scale. It is likely that this platform asset will have operations in the UK, Europe, or North America with an enterprise value in the region of £250 million to £1.5 billion. We seek businesses that demonstrate stable operating performance and high cash flow conversion, and benefit from competitive barriers to entry. Safe Harbour will prioritise assets outside competitive auction processes and situations where the Directors believe Safe Harbour has a distinct advantage in acquiring the assets at attractive valuations.

We believe that the publicly listed nature of our vehicle offers us flexibility in structuring transactions and provides us with access to deep pools of capital which will allow us to unlock opportunities that may not otherwise be available to typical financial sponsors.

Events following the period end

On 15 March 2018, Safe Harbour Holdings plc successfully raised £21.4 million after expenses, on the London Stock Exchange's AIM market, through the placing of Ordinary Shares at a price of 120p per share. Safe Harbour has received backing from major institutional investors (more detail on page 6), with additional capital expected to be raised at the time of the Company's platform acquisition.

The Group had £28.3 million of aggregate cash reserves as at 31 May 2018, being the latest practicable date prior to the publication of these accounts. Having raised gross proceeds of £32.7 million from equity issuances since incorporation in 2016, this represents a £4.4 million cash spend to 31 May 2018, with £2.2 million of this relating to non-recurring project costs including diligence expenses, advisory fees and costs related to the IPO and establishment of Safe Harbour.

Results

The Group's loss after taxation for the period from incorporation to 31 December 2017 was £2.5 million and at the period end it held a cash balance of £7.8 million.

Dividend policy

The Company has not yet acquired a trading business and the Directors therefore consider it inappropriate to make a forecast of the likely level of any future dividends. The Directors intend to determine the Company's dividend policy following completion of the Company's first acquisition and in any event, will only commence the payment of dividends when it becomes commercially prudent to do so. There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

Risks

The Directors have carried out an assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity. Further detail in relation to the risks faced by the Group is set out on page 34.

Outlook

In accordance with our mandate as an acquisition vehicle, we have evaluated a number of assets meeting Safe Harbour's investment criteria during the period. To date the businesses where we have formally engaged with

vendors were ultimately rejected having fallen marginally short of our requirements. However, Safe Harbour has the benefit of a broad global universe of eligible assets across multiple attractive sectors and as such we remain confident of securing an attractive platform for Safe Harbour and updating our Shareholders in due course.

Rodrigo Mascarenhas
Chief Executive Officer
12 June 2018

Avril Palmer-Baunack
Chairman
12 June 2018

The Directors are pleased to submit their Annual Report and Financial Statements for the period from incorporation of the first member of the Group on 26 August 2016 to 31 December 2017.

Results and dividends
For the period to 31 December 2017, the Group's loss was £2,537,970.

It is the Board's policy that prior to making the first acquisition, no dividends will be paid. Following the first acquisition, and subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and commercially prudent to do so.

Future developments
The Company intends that the funds raised to date will be used for the purposes of demonstrating credible funding support to potential target vendors, as well as to fund working capital and to undertake due diligence on potential target acquisitions in line with its strategy. It is envisaged that the Company's first acquisition of a controlling stake will be in a business with an enterprise value in the region of £250 million to £1.5 billion. It is anticipated that returns to shareholders will be delivered primarily through an appreciation in the Company's share price.

Share capital
Details of shares issued by the Company during the period are set out in note 14 of the Financial Statements.

Directors
The Directors of the Company who served during the period and subsequent to the date of this report are:

Rodrigo Mascarenhas, Chief Executive Officer
Date of appointment: 26 May 2017

Rodrigo has 17 years of international business experience having spent 10 years successfully implementing a buy-and-build strategy in the international distribution and outsourcing sector for Bunzl plc. At Bunzl, Rodrigo's divisions delivered double-digit compounding revenue growth and achieved double the profitability of the wider Bunzl group, which itself delivered 14 per cent. compounding annual returns for shareholders over 10 years.

Rodrigo began his career in 1999 as a co-founder of Americanas.com, one of the first e-commerce start-ups in Latin America and today listed as B2W Inc. in Brazil, which was initially backed by its parent company Lojas Americanas, the leading Brazilian retail chain. In 2002, Rodrigo moved to Goodyear to become the Truck Business Unit Director for Spain and Portugal, where he completed the turnaround of the division, successfully merging the Goodyear and Dunlop Brands. In 2004, Rodrigo became General Manager of Goodyear Dunlop for Central Eastern Europe, based in the Czech Republic, with responsibility for the division which generated revenues of $150 million and oversaw double digit growth in earnings before interest and tax for the period until he left in 2006.

In 2006 Rodrigo joined Bunzl plc, the listed UK distribution conglomerate, as a Managing Director. Rodrigo was responsible for Bunzl's expansion across LATAM, Spain and Israel until 2016.

In 2013, after executing further acquisitions in several Latin American countries, Rodrigo became Business Area Head and Managing Director for LATAM. In this role, he was responsible for both the M&A and operational strategy of the division, successfully buying and integrating over 30 entities (all of which were acquired outside of a competitive auction process) and developing a digital strategy for the business. Under Rodrigo's leadership, divisional revenues grew from zero to $574 million.

Rodrigo holds a Business Management degree from Faculdade de Ciencias Economicas (Brazil), an MBA in Finance, Economics and Management from Case Western Reserve University and an Owner's President Management Program Certificate from Harvard Business School.

Avril Palmer-Baunack, Non-Executive Chairman
Date of appointment: 20 February 2018

Avril Palmer-Baunack has over 20 years of executive experience with leading businesses in the automotive, support services, industrial engineering and insurance services sectors. Through a number of high profile industry roles, Avril has acquired significant experience in acquisitive growth strategies and a track record of delivering shareholder value in a public environment.

Since July 2014, Avril has been Executive Chairman of BCA Marketplace plc (''BCA'') Europe's leading B2B car auction and vehicle buying service operator. Under Avril's management, BCA has successfully executed an ambitious growth plan based on substantial organic and inorganic growth with five acquisitions completed to date as well as numerous operational enhancements.

Avril is also currently Non-Executive Chairman of Redde plc, a UK-based, market leading accident management company, a position she has held since September 2011. Avril has led the turnaround of this business, which included a refinancing concluded in February 2013.

Avril has also held a broad range of executive roles in other sectors, with experience in companies engaged in vehicle salvage, car hire, auctions, transportation, distribution, logistics, vehicle processing and infrastructure. Avril was previously Executive Chairman and Deputy Chief Executive Officer of Stobart Group plc, one of the largest British multimodal logistics companies with interests in transport, distribution and infrastructure.

Prior to this Avril was Chief Executive Officer of Autologic Holdings plc, the largest finished vehicle logistics company in the UK and Europe. She joined Autologic from Universal Salvage plc, where she held the position of Chief Executive Officer from March 2005 until the sale of the company to Copart UK Ltd in June 2007 achieving a share price increase of almost two and a half times.

Mark Brangstrup Watts, Executive Director
Date of appointment: 26 August 2016

Mark Brangstrup Watts founded Marwyn, the asset management and corporate finance group, in 2002 with James Corsellis. Mark is joint managing partner of Marwyn Capital LLP, which provides corporate finance advice, and Marwyn Investment Management LLP, which provides asset management solutions and investment advisory services (both of which are regulated by the Financial Conduct Authority). Mark is a director of Marwyn Asset Management Limited, a regulated fund manager, and a trustee of the Marwyn Trust, a charity focused on initiatives supporting education and entrepreneurship for young people in disadvantaged communities. Mark has a beneficial interest in Axio Capital Solutions Limited, the company secretary of the Company and the initial subscriber of the Company. Marwyn has launched 15 companies in partnership with experienced management teams across a variety of sectors, typically executing buy-and-build strategies. Mark has held board positions on several Official List and AIM listed companies, including Entertainment One Limited, Advanced Computer Software plc, Inspicio plc and Talarius plc.

It is currently intended that, following the completion of the Company's first acquisition, Mark will adopt a non-executive role.

James Corsellis, Executive Director
Date of appointment: 26 August 2016

James Corsellis founded Marwyn, the asset management and corporate finance group, in 2002 with Mark Brangstrup Watts. James is joint Managing Partner of Marwyn Capital LLP, which provides corporate finance advice, and Marwyn Investment Management LLP, which provides asset management solutions and investment advisory services (both of which are regulated by the Financial Conduct Authority). James is a director of Marwyn Asset Management Limited, a regulated fund manager, and a trustee of the Marwyn Trust, a charity focused on initiatives supporting education and entrepreneurship for young people in disadvantaged communities. James has a beneficial interest in Axio Capital Solutions Limited, the company secretary of the Company and the initial

subscriber of the Company. Marwyn has launched 15 companies across a variety of sectors with James providing support to these companies, using his experience of working with several companies in various roles (including as Chairman of Entertainment One Limited and director of Breedon Aggregates Limited, Concateno plc and Catalina Holdings Limited) as well as his operating experience as the CEO and founder of technology business, iCollector plc and CM Interactive.

It is currently intended that, following the completion of the Company's first acquisition, James will adopt a non-executive role.

As previously stated, the Directors intend to appoint an independent non-executive director to the Board of the Company shortly. The Company is in an active process with a leading professional search firm to source a suitable candidate to balance the existing skills and experience of the Board. The Company also intends to appoint a finance director to the Board at or around the time of the platform acquisition.

Directors' interests
The Directors have no direct interests in the Ordinary Shares of the Company but have interests in the Incentive Shares, as detailed in note 19 of the Financial Statements.

Directors' remuneration
The emoluments of the individual Directors for the period are detailed in note 6 of the Financial Statements.

Substantial shareholdings
At 11 June 2018 the following interests in 3% or more of the issued Ordinary shares had been notified to the Company.

Shareholders	% Shareholding
Marwyn Asset Management Limited	30.6%
Invesco Asset Management Limited	26.0%
Woodford Investment Management Limited	25.8%
Marathon Asset Management Limited	9.8%
Consulta Limited	4.6%
MSD Partners Europe LLP	3.1%

Independent auditors
PricewaterhouseCoopers LLP was appointed auditor of the Group and its subsidiaries on 20 February 2018. The Directors have reason to believe that PricewaterhouseCoopers LLP conducted an effective audit. The Directors have provided the auditors with full access to all the books and records of the Group. PricewaterhouseCoopers LLP has expressed its willingness to continue to act as auditors to the Group and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting.

Corporate governance
The Directors recognise the importance of sound corporate governance commensurate with the size of the Group and the interests of the shareholders. The Group is governed by the Board of Directors. The Board comprises a Non-Executive Chairman, Avril Palmer-Baunack and three Executive Directors: Rodrigo Mascarenhas, Mark Brangstrup Watts and James Corsellis. It is intended that Mark Brangstrup Watts and James Corsellis will adopt non-executive roles following the completion of the Company's first acquisition. So far as is practicable, the Directors intend to comply with the QCA Corporate Governance Code to the extent appropriate to the size and nature of the Company.

Audit and risk committee
At present, the Company does not consider it necessary to establish an audit and risk committee given the nature of its board structure and operations. The Board will undertake all functions that would normally be delegated to the audit and risk committee, including reviewing annual and interim results, receiving reports from its auditors, agreeing the auditors' remuneration and assessing the effectiveness of the audit and internal control environment. Where necessary the Board will obtain specialist external advice from either its auditors or other

advisers. The Board will establish an audit and risk committee upon completion of the first acquisition by the Company.

Nomination and remuneration committee
The Company does not intend to establish a nomination and remuneration committee until the completion of the Company's first acquisition as those committees are not currently appropriate given the nature of the Company's board structure and operations. Accordingly, the Board will review the remuneration of the Directors annually and agree reasonable and market standard (as regards level) non-executive fees, based upon market information sourced from appropriate external consultants. Consideration will be given by the Board to future succession plans for members of the Board, as well as consideration as to whether the Board has the skills required to manage the Company effectively. The Board intends to establish a nomination and remuneration committee upon completion of the first acquisition by the Company.

Share dealing
The Company has systems in place to ensure compliance by the Board, the Company, and its 'applicable employees' (as defined in the AIM Rules for Companies) with the provisions of the AIM Rules for Companies relating to dealings in securities of the Company and has adopted a share dealing code for this purpose. The Directors believe that the share dealing code adopted by the Board is appropriate for a Company quoted on AIM. The Board will comply with Rule 21 of the AIM Rules for Companies relating to directors' dealings and will take all reasonable steps to ensure compliance by the Company's 'applicable employees'. The share dealing code is in line with the European Union Market Abuse Regulation.

Relations with Shareholders
The Directors are always available for communication with Shareholders and all Shareholders have the opportunity, and are encouraged, to attend and vote at the Annual General Meetings of the Company during which the Board will be available to discuss issues affecting the Company. The Board stays informed of Shareholders' views via regular meetings and other communications.

Statement of going concern
The Directors have considered the financial position of the Group and have concluded that it is appropriate to prepare the Financial Statements on a going concern basis.

Internal control
The Board is responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to meet the particular needs of the Company and the particular risks to which it is exposed. The procedures are designed to manage rather than eliminate risk and by their nature can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has reviewed the Company's risk management and control systems and believes that the controls are satisfactory given the nature and size of the Company.

Financial risk profile
The Group's Financial Instruments are mainly comprised of cash and various items such as payables and receivables that arise directly from the Group's operations. Details of the risks relevant to the Group are included in the notes to the Financial Statements and on pages 34 to 38.

Statement of directors' responsibilities
The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial period. Under that law the Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under

company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable IFRSs as adopted by the European Union have been followed for the Group Financial Statements and IFRSs as adopted by the European Union have been followed for the Company Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the Companies Law (Jersey) 1991 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's performance, business model and strategy.

Disclosure of information to Auditors
Each of the directors, whose names and functions are listed in the Report of the Directors confirm that, to the best of their knowledge:

- The Company Financial Statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities and financial position of the Company;
- The Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- The Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- So far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

On behalf of the Board

Rodrigo Mascarenhas
Chief Executive Officer
12 June 2018

Avril Palmer-Baunack
Chairman
12 June 2018

Independent auditors' report to the members of Safe Harbour Holdings plc

Report on the audit of the financial statements

Opinion

In our opinion, Safe Harbour Holdings plc's Group and Company financial statements (the "financial statements"):

- Give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2017 and of the Group's loss and the Group's and the Company's cash flows for the period then ended;
- Have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- Have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Group and Company Statements of Financial Position as at 31 December 2017; the Group Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity, and the Group and Company Statements of Cash Flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Materiality

- Overall Group materiality: £80,500, based on 1% of total assets
- Overall Company materiality: £80,500, based on 0.9% of total assets

Audit scope

- Our audit included full scope audits of two components. Taken together these account for 100% of consolidated expenditure, 100% of consolidated loss after tax and 100% of consolidated total assets

Key audit matters

- Valuation of share-based payments (Group)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. Procedures designed and executed to address these risks included procedures to test journal entries and post-close adjustments, testing and evaluating management's key accounting estimates for reasonableness and consistency and undertaking cut-off procedures to verify proper cut-off of expenses. In addition, we incorporate an element of unpredictability into our audit work each year.

Independent auditors' report to the members of Safe Harbour Holdings plc

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Valuation of share-based payments (Group) The Group provides benefits to senior management and others in the form of share-based payments, whereby services are rendered by individuals and they receive rights to shares in exchange. These share-based payment transactions are classified by the Group as equity-settled share-based payments. The accounting for share-based payments incorporates a judgemental option value and in determining the fair value of share-based awards, management has to apply and disclose critical accounting estimates and judgements. The Group valued the options, assisted by an external expert, using a Monte Carlo simulation, where inputs such as volatility rate, risk free rate, probability of IPO and probability of acquisition require judgement. The impact on the Group financial statements for the period ended 31 December 2017 reflected a charge to the Group Statement of Comprehensive Income of $78,784. *Refer to notes 2 and 18 in the Group financial statements.*	We assessed the estimates made by management in preparing the financial statements and concluded that these have been based on appropriate supporting evidence and estimates that fall within a reasonable range. In particular, we considered the reasonableness of the following key inputs into the Monte Carlo valuation model used to determine the fair value of the share options: • Volatility rate; • Risk free rate; • Investment size; • Probability of IPO; and • Probability of acquisition. Our procedures performed in response to this risk included: • Enquiries of management and management's valuation experts; • Comparing the terms and conditions for a sample of the share-based payments issued during the period to Board minutes and letters to employees; • Obtaining the Group's external expert's options valuation report and assessing the reasonableness of selected inputs used in valuation of the share-based payments using available supporting data via independent benchmarking of the inputs against available internal and external data sources. In addition we assessed the competency of the Group's expert, including its experience and qualifications. • Comparing the grant date used in the expense calculations to agreements and checking that the expense is recognised over the appropriate vesting period; • Sensitivity analysis to determine the impact of changes in the key inputs on the financial statements; • Review of the appropriateness and mathematical accuracy of the Monte Carlo methodology applied and an assessment of the reasonableness of the fair value calculation; • Evaluating the adequacy of disclosures made by the Group in the financial statements in view of the requirements of IFRSs.

Key audit matter	*How our audit addressed the key audit matter*
	We note that a number of these inputs are inherently subjective and that the valuation of the share options is highly sensitive to changes in certain assumptions. We concluded that the overall valuation falls within a reasonable range.

We determined that there were no key audit matters applicable to the Company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

As at 31 December 2017, the Group comprised 3 entities (subsidiaries) as part of the Group. A reporting package for each component is submitted and consolidated by Safe Harbour's central accounting team, including its expenditure and financial position as prepared under Group accounting policies which are in compliance with IFRSs. We audited two components centrally (Safe Harbour Holdings UK Limited and Safe Harbour Holdings plc), supplemented by auditing the Group consolidation.

Taken together our audit work achieved coverage of 100% of consolidated expenditure, 100% of the total assets and 100% of consolidated loss after tax. This is due to the fact that the component not subject to a full scope audit had no revenues or expenditure in the period and all assets on its balance sheet eliminate on consolidation.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	*Company financial statements*
Overall materiality	£80,500	£80,500
How we determined it	1% of total assets	0.9% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, total assets is currently the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	Total assets is currently the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark.

For the component in the scope of our Group audit for which balances did not eliminate fully on consolidation, we allocated a materiality that is less than our overall Group materiality. The materiality allocated to the component was £12,000. All components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £8,050 (Group) and £8,050 (Company) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- The Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- The Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page [7], the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or

- Proper accounting records have not been kept by the Company; or
- Proper returns adequate for our audit have not been received from branches not visited by us; or
- The Company's financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Nicholas Campbell-Lambert
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
London
12 June 2018

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	Group Period to 31 December 2017
		£
Administrative expenses	7	(2,537,970)
Operating loss		(2,537,970)
Loss before income tax		(2,537,970)
Income tax	9	-
Loss for the period		(2,537,970)
Total other comprehensive income		-
Total comprehensive loss for the period		(2,537,970)
Attributable to:		
Owners of the parent		(2,537,970)
Loss per ordinary share		
Basic and diluted loss per share attributable to ordinary equity holders of the parent (£)	18	(0.3272)

The Group's activities derive from continuing operations.

The notes on pages 19 to 33 form an integral part of these Financial Statements.

There is no other comprehensive income. Accordingly, no consolidated statement of comprehensive income has been presented.

The company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

	Note	Group as at 31 December 2017	Company as at 31 December 2017
		£	£
Assets			
Non-current assets			
Fixed assets	8	2,237	761
Investment in subsidiaries	10	-	10,003,403
Total non-current assets		**2,237**	**10,004,164**
Current assets			
Cash and cash equivalents	13	7,787,775	7,660,124
Deferred costs	12	177,000	177,000
Other receivables	11	86,843	86,838
Total current assets		**8,051,618**	**7,923,962**
Total assets		**8,053,855**	**17,928,126**
Capital and reserves attributable to equity holders of the parent			
Stated capital	15	10,000,003	10,000,003
Share based payment reserve	19	78,784	-
Accumulated losses		(2,537,970)	(1,229,339)
Total equity		**7,540,817**	**8,770,664**
Current liabilities			
Trade and other payables	14	**513,038**	**9,157,462**
Total liabilities		**513,038**	**9,157,462**
Total equity and liabilities		**8,053,855**	**17,928,126**

The notes on pages 19 to 33 form an integral part of these Financial Statements.

The Financial Statements on pages 15 to 33 were approved by the Board of Directors on 12 June 2018 and were signed on its behalf by:

Rodrigo Mascarenhas
Chief Executive Officer

Avril Palmer-Baunack
Chairman

SAFE HARBOUR HOLDINGS PLC

Company number 123821

GROUP AND COMPANY STATEMENTS OF CHANGES IN EQUITY

Group statement of changes in equity

	Note	Stated capital	Share based payment reserve	Accumulated losses	Total equity
		£	£	£	£
Opening balance		-	-	-	-
Loss and total comprehensive loss for the period		-	-	(2,537,970)	(2,537,970)
Issue of share capital	15	10,000,003	-	-	10,000,003
Share-based payments	19	-	78,784	-	78,784
Balance as at 31 December 2017		10,000,003	78,784	(2,537,970)	7,540,817

Company statement of changes in equity

	Note	Stated capital	Accumulated losses	Total equity
		£	£	£
Opening balance		-	-	-
Loss and total comprehensive loss for the period		-	(1,229,339)	(1,229,339)
Issue of share capital	15	10,000,003	-	10,000,003
Balance as at 31 December 2017		10,000,003	(1,229,339)	8,770,664

The notes on pages 19 to 33 form an integral part of these Financial Statements.

GROUP AND COMPANY STATEMENTS OF CASH FLOWS

	Note	Group Period to 31 December 2017	Company Period to 31 December 2017
		£	£
Cash flows from operating activities			
Loss after income tax		(2,537,970)	(1,229,339)
Adjustments to reconcile loss before income tax to net cash flows:			
Depreciation expense for the period		744	95
Increase in trade and other receivables	11	(86,843)	(86,838)
Increase in deferred cost	12	(177,000)	(177,000)
Increase in trade and other payables[1]	14	505,748	9,157,462
Share based payment expense	19	68,148	-
Net cash used in operating activities		**(2,227,173)**	**7,664,380**
Investing activities			
Purchase of office equipment	8	(2,981)	(856)
Investment in subsidiary	10	-	(10,003,403)
Net cash flows used in investing activities		**(2,981)**	**(10,004,259)**
Cash flows from financing activities			
Proceeds from issue of share capital	15	10,000,003	10,000,003
Proceeds from issue of ordinary A Share capital		17,926	-
Net cash generated from financing activities		**10,017,929**	**10,000,003**
Net increase in cash and cash equivalents		7,787,775	7,660,124
Cash and cash equivalents at beginning of the period		-	-
Cash and cash equivalents at the end of the period	13	**7,787,775**	**7,660,124**

The notes on pages 19 to 33 form an integral part of these Financial Statements.

[1] £7,290 represent proceeds from issue of A1 Shares that are classified in trade & other payables in the Statement of Financial Position and as proceeds from issue of ordinary A Share capital in the Statement of Cash Flows.

1. GENERAL INFORMATION

Safe Harbour Holdings plc (the ''Company'') is an investing company (for the purposes of the AIM rules for Companies) and is incorporated in Jersey and domiciled in the United Kingdom (company number: 123821). It is a public limited company and the address of the registered office is One Waverley Place, Union Street, St Helier, Jersey, JE1 1AX, with a UK establishment address of 11 Buckingham Street, London, WC2N 6DF. The Company is the parent company of Safe Harbour Holdings UK Limited (company number: 10348545) (''SHHUK'') and Safe Harbour Holdings Jersey Limited (company number: 121981) (''SHHJL''), (collectively, the ''Group''). The activity of the Company is the acquisition and subsequent development of assets engaged in business-to-business distribution and/or business services.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The Company was incorporated on 10 May 2017 and became the parent of the Group through a contribution agreement entered on 10 May 2017 for a share for share exchange, with the Company receiving the entire share capital of SHHUK, the original parent company, in exchange for the issue of Ordinary Shares to Marwyn Value Investors LP (''MVI'') and Marwyn Value Investors II LP (''MVI II''). This was a reorganisation of the existing Group, with no change in the substance of the reporting entity. Therefore, the group accounts of the Company have been prepared on a predecessor basis and show the full period of the results of SHHUK.

The Group Financial Statements represent the period from the incorporation of SHHUK on 26 August 2016 until 31 December 2017 and have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRSs"), and with those parts of applicable law as relevant to companies reporting under IFRSs.

The Financial Statements are prepared under the historical cost convention and are presented in British pounds sterling, which is the presentational and functional currency of the Company.

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied throughout the period presented.

(b) New standards and amendments to International Financial Reporting Standards

Standards, amendments and interpretation effective and adopted by the Group:
IFRSs applicable to the first Financial Statements of the Group for the period ended 31 December 2017 have been applied. The accounting policies adopted in the presentation of these Financial Statements reflect the adoption of the following new standards for annual periods beginning on or after 1 January 2017:

Amendments to IFRS 5 Non-current assets held for sale and discontinued operations, IFRS 11 Joint arrangements, IFRS 12 Disclosure of interests in other entities, IFRS 14 Regulatory deferral accounts, IAS 27 Investment entity consolidation, IAS 28 Investments in associates and joint ventures and IAS 41 Agriculture are not applicable to the Group. The amendments to IFRS 7 Financial instruments – disclosures, IAS 1 Presentation of Financial Statements, IAS 16 Property, plant and equipment, IAS 19 Employee benefits, IAS 34 Interim financial reporting and IAS 38 Intangible assets have been adopted by the Group but have had no effect on the Group's results.

Standards issued but not yet effective:
The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not expected that these standards will have a material impact on the Group.

Standard	Effective Date
Amendments to IFRS 9 – Financial instruments	1 January 2018
Amendments to IFRS 15 – Revenue from contracts with customers	1 January 2018
Amendments to IFRS 16 – Leases	1 January 2019
Amendments to IFRS 17 – Revenue from contracts with customers	1 January 2021
Amendments to IFRS 2 – Classification and measurement of share based payment transactions	1 January 2018
Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23 - Uncertainty over Income Tax	1 January 2019
Amendments to IAS 40 - Transfers of Investment Property	1 January 2018

IFRS 9 'Financial Instruments' amends the classification and measurement models for financial assets and adds new requirements to address the impairment of financial assets. It also introduces a new hedge accounting model to more closely align hedge accounting with risk management strategy and objectives. The standard requires companies to make an election on whether gains and losses on equity instruments measured at fair value should be recognised in the income statement or other comprehensive income, with no recycling. The Group is currently assessing the impact of the interpretation.

IFRS 16 'Leases' specifies how to recognise, measure, present and disclose leases. The standard provides a single lease accounting model and requires lessees to recognise right of use assets and lease liabilities on the balance sheet for all applicable leases. The Group is currently assessing the impact of the interpretation.

There are no other standards, amendments or interpretations in issue but not yet adopted that the Directors anticipate will have a material effect on the reported income or net assets of the Group.

(c) Going concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. As the Group has significant cash reserves, the Directors have concluded it remains appropriate to use the going concern basis.

(d) Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries is fully consolidated from the date that control commences until the date that control ceases.

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions are eliminated on consolidation.

(e) Statement of compliance

The Financial Statements have been prepared in accordance with IFRSs.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 3.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

(g) Deferred costs
Deferred costs are capitalised on the Statement of Financial Position if they represent qualifying transaction costs that are incurred in anticipation of, and directly related to an issuance of equity instruments and span more than one reporting period. These costs are deferred on the Statement of Financial Position until equity instruments are recognised and subsequently reclassified as a deduction from equity. If the equity instruments are not subsequently issued, the costs are recognised as an expense.

(h) Interest income and expenses
Interest income on cash deposits, and expenses are accounted for on an accruals basis.

(i) Costs directly attributable to the issue of equity
Share issue costs are placing expenses directly relating to the issue of the Company's shares. These expenses include fees payable under share placement agreements, printing, and distribution costs and legal fees and any other applicable expenses. All such costs are charged to equity and deducted from the proceeds received.

(j) Investments
Investments in subsidiaries are valued at cost less provision for impairment.

(k) Tangible fixed assets
Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- Computer equipment - 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

(l) Share capital
Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recorded against stated capital.

(m) Corporation tax
Corporation tax for the period presented comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Loss per ordinary share

The Group presents basic earnings per ordinary share ("EPS") data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares.

(o) Share based transactions

The Incentive Shares issued by SHHJL represent equity-settled share-based arrangements under which the Company receives services as a consideration for the additional rights attached to these equity shares, over and above their nominal price.

Equity-settled share based payments to Directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is expensed, with a corresponding increase in equity, on a straight-line basis from the grant date to the expected exercise date. Where the equity instruments granted are considered to vest immediately, the services are deemed to have received in full, with a corresponding expense and increase in equity recognised at grant date.

(p) Retirement benefits

The Group operates a defined contribution pension scheme and pays contributions to privately administered pension plans on behalf of employees as contractually agreed, or the equivalent contribution is paid in cash to the employee. Accounting of the contributions to pension schemes is in line with the treatment of a defined contribution scheme. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an expense on the accruals basis and are included within administrative expenses in the Statement of Comprehensive Income.

(q) Loan and other receivables

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

Loans and other receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. All amounts due from subsidiaries are repayable on demand and bear no interest.

(r) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Financial Statements under IFRSs requires the Directors to consider estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

There are significant estimates and assumptions used in the valuation of the Incentive Shares. Management has considered at the grant date, the probability of a successful first acquisition by the Company ("Platform Acquisition") and the potential range of value for the Incentive Shares, based on the circumstances on the grant date. The fair value of the Incentive Shares and related share-based payments were calculated using a Monte Carlo valuation model. A summary of the terms is set out in note 19.

For the period, the Directors do not consider that they have made any other significant estimates, judgement or assumptions that would materially affect the balances reported in these Financial Statements.

4. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision-maker. As the Group had not yet made an acquisition as of 31 December 2017, the Group is organised and operates as one segment.

5. OPERATIONAL LOSS

The operating loss is stated after charging auditors' remuneration of £20,000. The total auditors' remuneration related to fees payable for the audit of the Company and Group Financial Statements was £20,000 and fees payable for non-audit services was £175,000.

6. EMPLOYEES AND DIRECTORS

(a) Staff costs for the Group during the period:

	For the period to 31 December 2017
	£
Wages and salaries	642,528
Social security costs	81,971
Share based payment expense	68,148
Other employment related expenses	92,612
Total employment cost expense	**885,259**

(b) Directors' emoluments
The Board considers the Directors of the Company to be the key management personnel of the Group.

The highest paid Director, Rodrigo Mascarenhas, who was appointed as CEO on 1 February 2017, received emoluments of £554,781 during the period. Rodrigo received fixed compensation of £321,039 together with a bonus of £229,167 which the Board deemed appropriate given the progress made during the period against the strategy. Rodrigo's service agreement contains a guaranteed minimum bonus of £150,000, and an additional bonus of up to £100,000 which may be payable at the sole discretion of the Board.

Rodrigo Mascarenhas's service agreement contains a bonus arrangement, which is dependent on the completion of the Platform Acquisition by the Group. Rodrigo will be entitled to an additional cash bonus of an amount equal to one-third of a per cent. of the Total Enterprise Value[1] where the Total Enterprise Value is £1 billion or more, two-thirds of a per cent. where the Total Enterprise Value is less than £250 million and otherwise one third of X, where:

$$X = 2\% - \frac{(\text{Total Enterprise Value} - £250 \text{ million}) * 1\%}{£750 \text{ million}}$$

[1] The total enterprise value of a business or company acquired by the Group calculated as the total value of the consideration paid by the Group for the acquired equity or assets (as the case may be) plus the net debt of the acquired business or company, such net debt to be reduced pro-rata where less than 100 per cent. of the entire issued share capital of the target business or company is acquired, as calculated by the Board acting reasonably and in good faith.

Upon completion of the Platform Acquisition, Avril Palmer-Baunack and Marwyn Capital will each receive a fee equal to Rodrigo's cash bonus referred to in the preceding paragraph.

Avril Palmer-Baunack, who joined the Board on 20 February 2018, after the period end, is paid a fee of £200,000 per year, paid monthly in arrears.

Mark Brangstrup Watts and James Corsellis are paid fees equal to the prevailing national minimum wage for 35 hours per week. During the period they received director fees of £33,579.

There were no share options exercised during the period. The Incentive Shares owned by Directors are described in note 19.

(c) Key management compensation
The following table details the aggregate compensation paid in respect of the members of the Board of Directors including the Executive Directors.

Key management compensation	**For the period to 31 December 2017**
	£
Salaries and short-term employee benefits	354,618
Directors' bonuses	229,167
Share-based payment expense	68,148
	651,933

(d) Employed persons
The average monthly number of persons employed by the Group (including Directors) during the period was as follows:

	For the period to 31 December 2017
	Number of employees
Directors	3
Other	1
	4

7. EXPENSES BY NATURE

	For the period to 31 December 2017
	£
Expenses by nature	
Staff-related costs	885,259
Office costs	106,327
Legal and professional fees	714,430
Non-recurring project, diligence and Group establishment costs	781,546
Other expenses	50,408
	2,537,970

8. FIXED ASSETS

	Group as at 31 December 2017	Company as at 31 December 2017
	£	£
Cost or valuation		
At 26 August 2016	-	-
Additions	2,981	856
At 31 December 2017	**2,981**	**856**
Depreciation		
At 26 August 2016	-	-
Depreciation charge in the year	744	95
At 31 December 2017	**744**	**95**
Net book value		
At 31 December 2017	**2,237**	**761**

9. INCOME TAX

	For the period to 31 December 2017
	£
Analysis of credit in period	
Current tax on loss for the period	-
Total current tax	-

Reconciliation of effective rate and tax charge:

	For the period to 31 December 2017
	£
Loss on ordinary activities before tax	(2,537,970)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19.22%	(487,798)
Effects of:	
Other disallowable expenditure	41,866
Tax losses (utilised)/not utilised	445,788
Depreciation for the period in excess of capital allowance	144
Total taxation credit	-

The Company is in its pre-acquisition phase and therefore is not recognising any deferred tax assets due to the uncertainty of future taxable income.

10. INVESTMENT IN SUBSIDIARIES

(a) Subsidiary undertakings of the Group
The Group directly or indirectly owns the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings.

The subsidiary undertakings of the Company as at 31 December 2017 are presented below:

Subsidiary	Nature of business	Country of incorporation	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by the Group
Safe Harbour Holdings UK Limited	Dormant company	England	100%	100%
Safe Harbour Holdings Jersey Limited	Incentive vehicle	Jersey	99.97%	100%

There are no restrictions on the Company's ability to access or use the assets and settle the liabilities of the Company's subsidiaries. SHHJL has issued Incentive Shares to management as detailed in note 19.

Company	**£**
Cost at 10 May 2017 and 31 December 2017	10,003,403

11. OTHER RECEIVABLES

All receivables are current. There is no material difference between the book value and the fair value of the other receivables.

	Group as at 31 December 2017	Company as at 31 December 2017
	£	£
Amounts falling due within one year		
VAT recoverable	71,768	71,763
Prepayments	15,075	15,075
	86,843	**86,838**

12. DEFERRED COSTS

	For the period to 31 December 2017
	£
Consultancy fees	82,000
Legal fees	95,000
	177,000

Deferred costs were recognised against equity subsequent to 31 December 2017, in connection with the Company's flotation on the AIM.

13. CASH AND CASH EQUIVALENTS

	Group as at 31 December 2017	Company as at 31 December 2017
	£	£
Cash and cash equivalents		
Cash at bank	7,787,775	7,660,124
	7,787,775	**7,660,124**

Cash and cash equivalents comprise balances held at Barclays Bank plc.

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum short-term credit rating of P-1, as issued by Moody's, are used by the Group.

14. TRADE AND OTHER PAYABLES

	Group as at 31 December 2017	Company as at 31 December 2017
	£	£
Amount due to subsidiary	-	8,701,620
Trade payables	149,657	149,657
Accruals	336,692	286,692
Other tax and national insurance payable	19,092	19,092
Other creditors	7,597	401
	513,038	**9,157,462**
Trade and other payables due within 1 year	513,038	9,157,462
Trade and other payables due after 1 year	-	-
	513,038	**9,157,462**

There is no material difference between the book value and the fair value of the trade and other payables.

15. STATED CAPITAL

	Group as at 31 December 2017	Company as at 31 December 2017
	£	£
Allotted, called and fully paid		
8,333,336 Ordinary Shares of no par value issued at £1.20 per Ordinary Share	10,000,003	10,000,003
	10,000,003	**10,000,003**

On incorporation of SHHUK, 2 Ordinary Shares of £0.01 were issued by SHHUK at £1.20 per share resulting in share premium of £2.38. On 29 September 2016 a further 8,333,334 Ordinary Shares of £0.01 were issued by SHHUK at £1.20 for an aggregate consideration of £10,000,000.80.

On incorporation of Safe Harbour Holdings plc ("SHH plc"), a contribution agreement was entered into between SHH plc, MVI and MVI II under which the shares held by MVI and MVI II in SHHUK were contributed to SHH plc in consideration for 879,252 and 7,454,084 Ordinary Shares of no par value issued by SHH plc to MVI and MVI II respectively.

All issued shares are fully paid. The holders of Ordinary Shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

16. RESERVES

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

Accumulated losses
Cumulative losses recognised in the Group Statement of Comprehensive Income.

Share-based payment reserve
The Share-based payment reserve is the cumulative amount recognised in relation to the equity settled share-based payment scheme as further described in note 19.

17. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Group has the following categories of financial instruments at the period end:

	Group as at 31 December 2017	Company as at 31 December 2017
	£	£
Loans and receivables		
Cash and cash equivalents	7,787,775	7,660,124
Other receivables	263,843	263,838
	8,051,618	**7,923,962**
Financial liabilities at amortised costs		
Trade payables	149,657	149,657
	149,657	**149,657**

The fair value and book value of the financial assets and liabilities are equal.

The Group has exposure to the following risks from its use of financial instruments:

- Market risk;
- Liquidity risk; and
- Credit risk.

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing these risks.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group which primarily relate to movements in interest rates.

Market risk
The Group's activities primarily expose it to the risk of changes in interest rates due to the significant cash balance currently held; however any change in interest rates will not have a material effect on the Group. The Group's operations are entirely in their functional currency and accordingly no translation exposures arise in trade receivables or trade payables.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group currently meets all liabilities from cash reserves. The Group's liability for operating expenses is monitored on an ongoing basis to ensure cash resources are adequate to meet liabilities as they fall due.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main credit risk relates to the cash held with financial institutions. The Company manages its exposure to credit risk associated with its cash deposits by selecting counterparties with a high credit rating with which to carry out these transactions. The counterparty for these transactions is Barclays Bank plc, which holds a short-term credit rating of P-1, as issued by Moody's. The Company's maximum exposure to credit risk is the carrying value of the cash on the balance sheet.

Capital management
The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. There were no changes in the Group's approach to capital management during the period.

18. LOSS PER ORDINARY SHARE

Basic earnings per Ordinary Share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares. Incentive Shares (refer note 19) have not been included in the calculation of diluted earnings per share because they are not dilutive for the period presented.

	For the period to 31 December 2017
	£
Group	
Loss attributable to the owners of the parent	(2,537,970)
Weighted average number of ordinary shares in issue	7,756,280
Basic and diluted loss per share	(0.3272)

19. SHARE-BASED PAYMENTS

Implementation of share incentive plan – Incentive Shares
Arrangements have been put in place to create incentives for those who are expected to make key contributions to the success of the Group. Success depends upon the sourcing of attractive investment opportunities, effective execution of transactions, and the subsequent integration and optimisation of target businesses. Accordingly, an incentive scheme has been created to reward the key contributors for the creation of value, once all investors have received a preferential level of return. To make these arrangements most efficient, they are based around a subscription for shares in SHHJL by Rodrigo Mascarenhas in the A1 Shares and Marwyn Long Term Incentive LP ("MLTI"), in which James Corsellis and Mark Brangstrup Watts have an indirect beneficial interest, in the A2 shares. The A1 shares and A2 shares are collectively reflected to as "Incentive Shares".

It is intended that future management appointees will also share in the scheme and subscribe for Incentive Shares at a later date.

On 29 September 2016, SHHJL issued 540 A1 shares of £1.00 to Rodrigo Mascarenhas for consideration of £7,290, and 500 A2 shares of £0.02 to MLTI LP for consideration of £10,636.

On being offered, the Company will purchase the Incentive Shares either for cash or for the issue of new Ordinary Shares at its discretion. The valuation of the Incentive Shares is discussed below. The Incentive Shares may only be sold on this basis if both the Preferred Return and at least one of the vesting conditions have been satisfied. If these conditions have not been satisfied the Incentive Shares must be sold to the Company for a nominal amount.

Incentive shares
During the period SHHJL issued A1 shares to Rodrigo Mascarenhas and A2 shares to MLTI, which have been accounted for in accordance with IFRS 2 "Share-based Payments" as equity settled share-based payment awards.

Grant date
The date at which the entity and another party agree to a share-based payment arrangement, for accounting purposes, is the grant date. The grant date for the Incentive Shares is 29 September 2016. This is in line with when the share-based payments were awarded.

Preferred Return
Incentive arrangements are subject to Shareholders achieving a Preferred Return of at least 10% per annum on a compound basis on the capital they have invested from time to time (with dividends and other capital returns being treated as a reduction in the amount invested at the relevant time).

Service Conditions
Rodrigo Mascarenhas has agreed that if he ceases to be involved with the Group before it completes its Platform Acquisition or in the first three years following such acquisition then in certain circumstances a proportion of his A1 Shares may be forfeited. If Rodrigo Mascarenhas leaves in circumstances in which he is deemed to be a "Good Leaver" (as defined in his subscription agreement), then if he leaves in the two years post the Platform Acquisition, none of his shares shall have vested. His Incentive Shares all vest in the third year post-Acquisition, such that they would be 100% vested at the end of the third year. He will be required to redeem his vested A1 Shares on the later of 180 days following his departure date or on the third anniversary of the Platform Acquisition. If he is deemed a "Bad Leaver" he will be required to sell his A1 Shares back to SHHJL for a total consideration of £1.00.

Vesting conditions and Vesting period
The Incentive Shares are subject to certain vesting conditions, at least one of which must be (and continue to be) satisfied in order for a holder of Incentive Shares to exercise their redemption rights and which ends on the fifth anniversary of the date of the Platform Acquisition or such later date as is agreed between the Group and the holders of at least 90 per cent. of the Ordinary Shares, A1 Shares and A2 Shares.

The vesting conditions are as follows:

(i) a sale of all or a material part of the business of the Group;
(ii) a sale of all of the issued Ordinary Shares of the Group occurring;
(iii) a winding up of the Group occurring;
(iv) a sale, merger or change of control of the Company; or
(v) it is later than the third anniversary of the acquisition date .

The Incentive Shares are subject to a three year vesting period and will lapse after five years. The vesting period commences from the date of completion of the Platform Acquisition.

Value
Subject to the provisions detailed above, the Incentive Shares can be sold to the Company for an aggregate value equivalent to 16% (of which A1 shares as a class are entitled to 11% and A2 shares to 5%) of the excess in the market value of the Company over and above its aggregate paid up share capital, allowing for any dividends and other capital movements.

Holding of Incentive Shares
Incentive Shares have been created and shares have been allocated and issued as shown in the table below.

	Nominal price	Issue price	Number of Incentive Shares	Fair value at grant date
Rodrigo Mascarenhas (A1)	£1	£13.50	540	£47,191
Marwyn Long Term Incentive LP (A2)	£0.02	£21.27	500	£68,836
			1,040	**£116,027**

Valuation of Incentive Shares
The value of the Incentive Shares granted under the scheme has been calculated using a Monte Carlo model. The fair value uses an ungeared volatility of 24% and is based on a weighted average share price over the vesting period. An expected term input of four years has been used, being the midpoint of the period of time between the date on which an acquisition is expected to take place and the start and end of the redemption period. The Incentive Shares are subject to a Preferred Return, which is a market performance condition, and as such has been taken into consideration in determining their fair value. The risk free rate is taken from zero-coupon UK Government bonds with a redemption period in line with the expected term. The model incorporates a range of probabilities for the likelihood of an acquisition being made of a given size.

Expense related to Incentive Shares
£9,948 has been recognised in the Group Statement of Comprehensive Income in the period and in a share-based payment reserve within the Group Statement of Financial Position as at the period end in relation to the A1 Shares.

MLTI is not required to complete a specified period of service and the options are therefore deemed to have vested immediately. Therefore, the full A2 Share expense of £58,200, being the fair value amount less the subscription proceeds, has been recognised in the Group Statement of Comprehensive Income in the period, with the total fair value of the A2 Shares of £68,836 recognised in a share-based payment reserve within the Group Statement of Changes in Equity as at the period end.

20. RELATED PARTY TRANSACTIONS

In the opinion of the Directors, there is no single controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, or the parties are under common control or influence, in making financial or operational decisions.

James Corsellis and Mark Brangstrup Watts are the managing partners of Marwyn. MVI II and MVI are managed by Marwyn Asset Management Limited of which James Corsellis and Mark Brangstrup Watts are both non-executive directors and of which they are the ultimate beneficial owners.

James Corsellis and Mark Brangstrup Watts are the managing partners of Marwyn Capital LLP which provides corporate finance advice and various office and finance support services to the Company. During the period Marwyn Capital LLP charged £608,454 (excluding VAT) in respect of services supplied and was owed an amount of £58,401 at 31 December 2017.

James Corsellis and Mark Brangstrup Watts are the ultimate beneficial owners of Marwyn Partners Limited which incurred costs on behalf of the Group which it recharged. During the period Marwyn Partners Limited charged £96,064 in respect of recharged costs and was owed £307 at 31 December 2017.

James Corsellis and Mark Brangstrup Watts are the ultimate beneficial owners of Axio Capital Solutions Limited which provides company secretarial services to the Group. During the period Axio Capital Solutions Limited charged £254,218 in respect of services supplied and was owed £8,527 at 31 December 2017.

James Corsellis and Mark Brangstrup Watts are the ultimate beneficial owners of Marwyn Investment Management LLP which incurred costs on behalf of the Group which it recharged. During the period Marwyn Investment Management LLP charged £102,522 in respect of recharged costs at 31 December 2017.

At 31 December 2017, Safe Harbour Holdings UK Limited, a subsidiary of the Company, was owed £8,701,621 from the Company.

21. COMMITMENTS AND CONTINGENT LIABILITIES

There were no commitments or contingent liabilities outstanding at 31 December 2017 that require disclosure or adjustment in these Financial Statements.

22. COMPANY LOSS FOR THE PERIOD

The Company has not presented its own statement of comprehensive income. The loss and total comprehensive loss for the period and the total loss attributable to shareholders was £1,229,339.

23. POST BALANCE SHEET EVENTS

On 20 February 2018, Avril Palmer-Baunack joined the Board of the Company as Non-Executive Chairman. Avril will receive an annual fee of £200,000, payable monthly in arrears.

On 20 February 2018, Safe Harbour Holdings Jersey Limited issued 600 A3 Shares to Rodrigo Mascarenhas and 500 A3 Shares to Marwyn Long Term Incentive LP for a price of £2.01 per share. The purpose of the A3 Shares is to ensure that if an A1 or A2 Shareholder exercises their Incentive Shares before the rest of the other A Shareholders, then any of the 16 per cent. growth in value forfeited by the first exerciser may be allocated to the remaining A Shareholders on a pro rata basis through the A3 Shares. This will result in A Shareholders in aggregate receiving 16 per cent. of the growth in value, provided that the vesting conditions are fully satisfied.

The A3 Shares will be valued by the Group according to the requirements of IFRS 2, and that value disclosed in the first set of Financial Statements published by the Group following the issue of the A3 Shares.

On 20 February 2018, the subscription agreements of the holders of Incentive Shares were amended such that for ''Good Leavers'' (according to the respective subscription agreements), awards vest on a straight line basis for three years after the Platform Acquisition. In addition, if Rodrigo Mascarenhas were to be a ''Resigning Leaver'' (as defined in his subscription agreement) in the first two years post Platform Acquisition, none of his Incentive Shares would vest; equivalent provisions also now apply to the A2 Shares held by MLTI if there is a cessation of corporate finance services provided to the Company.

On 15 March 2018, Safe Harbour Holdings plc was admitted to trading on the AIM market of the London Stock Exchange (LSE). The Company successfully raised £22.7 million before expenses through the placing of 18,916,665 ordinary shares at a price of 120p ordinary share (the “Placing Price”). This is in addition to the £10 million already raised from funds managed by Marwyn Asset Management Limited. On Admission, the Company had 27,250,001 ordinary shares of no par value in issue and a market capitalisation of £32.7 million at the Placing Price.

SAFE HARBOUR

Risks applicable to investing in the Company

An investment in the Ordinary Shares involves a high degree of risk. No assurance can be given that Shareholders will realise a profit or will avoid loss on their investment. The Board has identified the following risks which it considers to be the most significant for investors in the Company. The risks referred to below do not purport to be exhaustive and are not set out in any particular order of priority. If any of the following events identified below occur, the Company's business, financial condition, capital resources, results and/or future operations and prospects could be materially adversely affected. In that case, the market price of the Ordinary Shares could decline and investors may lose part or all of their investment. Additional risks and uncertainties not currently known to the Board or which the Board currently deem immaterial may also have an adverse effect on the Company's business. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

Market and competition risks

- The Company has a limited operating history

The Company was incorporated on 10 May 2017. The Company has limited Financial Statements and/or historical financial data. The Company is therefore subject to all of the risks and uncertainties associated with any new business enterprise including the risk that the Company will not achieve its investment objectives and that the value of an investment in the Company could decline and may result in the total loss of all capital invested. The past performance of companies, assets or funds managed by the Directors, or persons affiliated with them, in other ventures, is not necessarily a guide to the future business, results of operations, financial condition or prospects of the Company.

- Industry-specific risks

It is anticipated that the Company will invest in businesses with a particular focus on B2B distribution and business services within the UK, Europe and North America. The performance of these sectors may be cyclical in nature, with some correlation to gross domestic product and, specifically, levels of demand within targeted end-markets. As a result, the identified sectors may be affected by changes in general economic activity levels which are beyond the Company's control but which may have a material adverse effect on the Company's financial condition and prospects.

In addition, the political risks associated with operating across a broad number of jurisdictions and markets could affect the Company's ability to manage or retain interests in its business activities and could have a material adverse effect on the profitability of its business following a Platform Acquisition.

- Competitive pressures risks

The sectors in which the Company intends to invest are highly competitive markets and as such the Company will face competition from international companies as well as national, regional and local companies.

Increased competition and unanticipated actions by competitors or customers could lead to an adverse effect on results and hinder the Company's growth potential. This could result from: customer pressure on sales volumes or margins; the loss of customers due to service or pricing issues; increased price competition; customers and suppliers dealing directly with one another; or unforeseen changes in the competitive landscape due to the introduction of disruptive technologies or changes in routes to market.

There are a number of well-established companies engaged in e-commerce that may compete with businesses that are acquired by the Company. Many of these companies are well-funded and may gain market share at the expense of the Company and/or impact the Company's ability to sustain its margins, amongst other threats. This could have a materially adverse impact on the Company's business.

- New entrants to the market risks

The Company will always be at risk that new entrants to the market are able to procure, by way of acquisition or licence, B2B distribution and business services assets. Any new entrant in this space could have a disruptive effect on the

Company and its ability to implement its Investment Strategy and deliver significant value for Shareholders. If any new entrant was able to establish a foothold in the market, this could have a corresponding negative effect on the financial prospects of the Company.

- Product price changes risks

Following completion of a Platform Acquisition, the purchase price of products distributed by the Company could fluctuate from time to time, thereby potentially affecting the results of operations. There could be significant increases in the cost of specific products leading to a diminution in margins if cost increases cannot be passed on in full to customers or substitute products sourced from elsewhere. Potential causes could include changes in the input costs of products purchased through commodity price inflation.

In addition, a period of commodity price deflation may lead to reductions in the price and value of the Company's products where sales prices are indexed or if competitors reduced their selling prices. If this was to occur, the Company's revenue and, as a result, its profits, could be reduced and the value of inventory held in stock may not be fully recoverable.

- Contract non-performance risks

Following completion of a Platform Acquisition, there will be a risk that contractual obligations in the distribution contracts will not be met or there may be a failure to meet agreed service levels due to non-performance which may result in significant performance penalties, onerous contract provisions, loss of potential new bids/re-bids and early termination of contracts. If the Company fails to negotiate contracts that can be delivered at the right price, or does not put in place solutions that deliver its contractual obligations, the Company will be more likely to suffer from poor performance and compliance challenges and potential loss-making contracts. Both of these factors may have a material adverse effect on the financial condition, results of operation and prospects of the Company.

Key management risks

The Company relies heavily on a small number of key individuals, in particular the Directors, to identify, acquire and manage suitable assets, companies and/or businesses. The retention of their services cannot be guaranteed. Accordingly the loss of any such key individual may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. In addition, there is a risk that the Company will not be able to recruit executives of sufficient expertise or experience to maximise any opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected. The failure to attract and retain those individuals may adversely affect the Company's operations.

Investment risks

- Acquisition of targets

The Company's ability to implement its Investment Policy is limited by its ability to identify and complete suitable acquisitions or suitable bolt-on acquisitions. Suitable opportunities may not always be readily available. The Company's initial and future acquisitions may be delayed or made at a relatively slow rate because, inter alia:

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

- Disposals

The Company may make investments that it cannot realise through trade sale or flotation at an acceptable price. Some investments may be lost through insolvency. Any of these circumstances could have a negative impact on the profitability and value of the Company.

- Unsuccessful transaction costs

There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include transaction documentation, legal, accounting and other due diligence.

- Timing of investments

As detailed above, the Company cannot accurately predict how long it will actually take to deploy the capital available to it or whether it will be able to do so at all. Any significant delay or inability to find a suitable acquisition may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Pursuant to the AIM Rules for Companies, if the Company has not substantially implemented its Investment Policy within 18 months of Admission, the Investment Policy will be subject to approval by Shareholders at the next annual general meeting of the Company and annually thereafter.

- Success of Investment Policy not guaranteed

The Company's level of profit will be reliant upon the performance of the assets acquired and the Investment Policy (in both its current form and as amended from time to time). The success of the Investment Policy depends on the Directors' ability to identify investments in accordance with the Company's investment objectives and to interpret market data correctly. No assurance can be given that the strategy to be used will be successful under all or any market conditions, that the Company will be able to identify opportunities meeting the Company's investment criteria, that the Company will be able to invest its capital on attractive terms or that the Company will be able to generate positive returns for Shareholders. If the Investment Policy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

- Change in Investment Policy

The Investment Policy may be modified and altered from time to time with the approval of Shareholders, so it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those the Directors currently expect to use. Any such change may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

- Concentration of risk

There can be no assurance that the actual investment opportunities that the Directors are able to source for the Company will not lead to a concentration of risk. To the extent that any acquisitions are concentrated in any particular niche of the B2B distribution and/or business services sector, region, country or asset class, downturns affecting the source of the concentration may result in a total or partial loss of the value of such investments and have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

- Material facts or circumstances not revealed in the due diligence process

Prior to making or proposing any investment, the Company will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all material facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the target company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business,

financial condition, results of operations and prospects of the Company.

Financial risks
When a suitable Platform Acquisition or bolt-on acquisition is identified, it is possible that the Company will need to raise further capital to fund such an acquisition and / or facilitate the development of such acquisition. There is no guarantee that the Company will be able to raise such capital and this may prejudice the Company's ability to make and develop such acquisitions. This inability to raise further capital may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Risks relating to the Ordinary Shares and their trading on AIM

- Potential Marwyn conflicts of interest

Two of the Company's four Directors (at the date of publication of these financial statements), James Corsellis and Mark Brangstrup Watts, are Directors of Marwyn Asset Management Limited, the investment manager of a significant shareholder. While Marwyn has a record of long-term support for the companies in which it invests and in whose management it is involved, and the Marwyn significant shareholder has entered into a lock-up agreement in respect of its investment in the Company, it is possible that Marwyn's interests may differ from those of other Shareholders and that the potential for conflict between the roles of James Corsellis and Mark Brangstrup Watts as Directors of the Company and related parties of Marwyn may adversely affect the interests of the Company's other Shareholders.

- Limited trading record for the Ordinary Shares

Since the Ordinary Shares were only recently listed, their market value is uncertain. The market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover the value of their original investment. The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. Additionally, stock market conditions may affect the Ordinary Shares regardless of the performance of the Company. Stock market conditions are affected by many factors, such as general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply of capital.
Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others may be outside the Company's control.

- Further issues of Ordinary Shares could dilute the interests of existing Shareholders

The Company may in the future issue additional securities, including Ordinary Shares, as well as options, warrants and rights relating to its securities, for any purpose. Future issues may consist of Ordinary Shares or securities having greater rights and preferences and may be priced at a discount to the market price of the Ordinary Shares and/or below the prevailing net asset value of each Ordinary Share. It may not be possible for existing Shareholders to participate in such future issues by the Company and the possibility of such future issues of Ordinary Shares may cause the market price of the Ordinary Shares to decline.

- Investing company status

The Company is currently considered to be an investing company for the purposes of the AIM Rules for Companies. As a result, it may benefit from certain partial carve-outs to the AIM Rules for Companies, such as those in relation to the classification of Reverse Takeovers. Were the Company to lose investing company status for any reason, such carve-outs would cease to apply. It is anticipated that any acquisition will be considered to be a Reverse Takeover.

- Trading on AIM

An investment in shares traded on AIM is generally perceived to involve a higher degree of risk and to be less liquid than an investment in shares listed on the Official List. AIM has been in existence since June 1995 but its future success, and the liquidity of

the market for the Ordinary Shares, cannot be guaranteed. Consequently, it may be more difficult for an investor to sell his or her Ordinary Shares than it would be if the Ordinary Shares were listed on the Official List, and he or she may receive less than the amount paid. In addition, there can be no guarantee that the Company will always maintain a quotation on AIM. If it fails to retain such a quotation, investors may decide to sell their Ordinary Shares, which could have an adverse impact on the price of the Ordinary Shares. If in the future the Company decides to maintain a quotation on another exchange in addition to AIM, the level of liquidity of shares traded on AIM may decline if Shareholders choose to trade on that market rather than on AIM.

- Value and liquidity of the Ordinary Shares

It may be difficult for an investor to realise his or her investment. The shares of publicly traded companies can have limited liquidity and their share prices can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations and others which may affect companies operating within a particular sector or quoted companies generally. A relatively small movement in the value of an investment or the amount of income derived from it may result in a disproportionately large movement, unfavourable as well as favourable, in the value of the Ordinary Shares or the amount of income received in respect thereof. Investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

Risks relating to legislation and regulations

- Legislative and regulatory risks

Any investment is subject to changes in regulation and legislation. As the direction and impact of changes in regulations can be unpredictable, there is a risk that regulatory developments will not bring about positive changes and opportunities, or that the costs associated with those changes and opportunities will be significant. In particular, there is a risk that regulatory change will bring about a significant downturn in the prospects of one or more acquired businesses, rather than presenting a positive opportunity.

- Taxation

There can be no certainty that the current taxation regime in England and Wales or overseas jurisdictions within which the Company may operate will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status or tax legislation may have a material adverse effect on the financial position of the Company. Investors should be aware however, that investment in the Company by way of subscription for Ordinary Shares may not be treated as a ''qualifying holding'' for the purposes of the venture capital trust rules (as set out in Part 6 Chapter 4 of the UK Income Tax Act 2007) because, the Company may not fulfil the requirements imposed upon it which need to be met in order for the Ordinary Shares to have qualifying holding status. Investors should also note that the venture capital trust legislation contains numerous complex conditions for a holding of Ordinary Shares to be a qualifying holding, several of which must be satisfied by the investing venture capital trust itself. The Company is not responsible for the satisfaction of such conditions.

- Availability of tax reliefs

The Company's strategy is not influenced by whether or not capital gains tax reliefs or enterprise investment scheme reliefs are available to Shareholders and investors should not rely on the availability of those reliefs in deciding whether to invest in the Company.

- Suitability

As an investment vehicle incorporated in Jersey, the Company may only be marketed to, and is only suitable as an investment for, sophisticated investors with an understanding of the risks inherent in investment in emerging market jurisdictions and an ability to accept the potential total loss of all capital invested in the Company.

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