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This document constitutes an AIM admission document relating to The People’s Operator plc and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Rules and has not been nor will be approved by, or filed with, the Financial Conduct Authority or any other authority which would be a competent authority for the purposes of the Prospectus Directive.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 4 December 2014. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been, or is intended to be, made for the Ordinary Shares to be admitted to trading on any other such exchange. It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List.

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

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

The People’s Operator plc

(incorporated and registered in England and Wales with registered no. 09083874)

Placing of 15,384,616 Ordinary Shares at 130 pence per share and

Admission of Enlarged Share Capital to trading on AIM

Nominated Adviser & Broker

The Placing is conditional, amongst other things, on Admission taking place on or before 4 December 2014 (or such later date as the Company and finnCap Ltd may agree, but in any event not later than 31 December 2014). The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid after Admission.

finnCap Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the Placing and Admission. Its responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not, under the AIM Rules for Nominated Advisers, owed to the Company or to any Director or to any other person in respect of his or her decision to acquire shares in the Company in reliance on any part of this document. finnCap Ltd is acting exclusively for the Company and for no one else in connection with the Placing and Admission. finnCap Ltd will not regard any other person (whether or not a recipient of this document) as its customer in relation to the Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of finnCap Ltd or for providing advice in relation to the Placing, Admission or any transaction or arrangement referred to in this document.

This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person to whom, or in any jurisdiction in which, such offer or solicitation is unlawful and is not for distribution in or into the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would be in breach of any law and/or regulations (the “Prohibited Territories”). The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or qualified for sale under the laws of any state of the United States or under any applicable securities laws of any of the Prohibited Territories. Subject to certain exceptions, the Ordinary Shares may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within the United States or any of the Prohibited Territories or to, or for the account or benefit of, any US persons (as such term is defined in Regulation S under the Securities Act) or any national, resident or citizen of any of the Prohibited Territories.

The distribution of this document and the Placing in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, the Directors or finnCap Ltd to permit a public offer of Ordinary Shares or to permit the possession or distribution

restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction. Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors or finnCap Ltd. Without prejudice to the Company's obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document. finnCap Ltd has not authorised the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by finnCap Ltd as to the contents of this document and no responsibility or liability whatsoever is accepted by finnCap Ltd for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

The contents of this document are not to be construed as legal, business or tax advice. Prospective investors should consult their own professional advisers for legal, financial or tax advice in relation to an investment or proposed investment in Ordinary Shares. Copies of this document will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until the date which is one month after the date of Admission at the offices of finnCap Ltd at 60 New Broad Street, London EC2M 1JJ and for download from the Company's website (www.thepeoplesoperator.com).

Forward-looking statements

This document contains statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Company and the industry in which the Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Group operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Prospective investors are strongly recommended to read the risk factors set out in Part II of this document for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Group operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as at the date of this document. The Company undertakes no obligation to update or revise publicly the forward-looking statements contained in this document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this document, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules).

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Group operates, or the Group's position therein, are based on the Group's records or are taken or derived from statistical data and information derived from the sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

United States securities laws

The Ordinary Shares are generally only being offered and sold outside the United States to persons who are not US persons (within the meaning of Regulation S under the Securities Act) in transactions complying with Regulation S. In certain limited cases, the Ordinary Shares may be offered and sold within the United States in private placements to persons who are accredited investors (within the meaning of Regulation D under the Securities Act) in transactions complying with Rule 506 of Regulation D.

THE ORDINARY SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY US STATE SECURITIES COMMISSION OR AUTHORITY, NOR HAS ANY SUCH US AUTHORITY PASSED ON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

THE ORDINARY SHARES HAVE NOT BEEN (AND WILL NOT BE) REGISTERED UNDER THE SECURITIES ACT OR SECURITIES LAWS OF ANY US STATE AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

Ordinary Shares placed with any US persons or persons located in the United States will be deemed to be "restricted securities" for US securities law purposes and, for so long as they remain so, may not be offered or sold by the holder other than pursuant to a registration statement under the Securities Act or an exemption from the requirement to register. Any share certificate evidencing restricted securities will bear a legend reflecting such transfer restrictions. US purchasers will be required to confirm they will comply with these restrictions and make certain other customary US securities law representations.

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PLACING STATISTICS

Placing Price

130 pence

Number of Existing Ordinary Shares

59,067,605

Number of Placing Shares

15,384,616

Number of Conversion Shares

2,470,852

Number of NED Fee Shares

175,986

Number of Ordinary Shares in issue following the Placing

77,099,059

Percentage of the Enlarged Share Capital represented by the New Ordinary Shares

23.4 per cent.

Gross proceeds of the Placing

£20.0 million

Estimated net proceeds of the Placing receivable by the Company

£17.9 million

Market capitalisation of the Company at the Placing Price

£100.2 million

ISIN code

GB00BSJWQH14

SEDOL

BSJWQH1

TIDM

TPOP

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of publication of this document

28 November 2014

Admission and commencement of dealings

8.00 a.m. on 4 December 2014

CREST accounts credited (where applicable)

4 December 2014

Despatch of definitive share certificates (where applicable)

by 18 December 2014

Each of the above times and dates set out above and mentioned elsewhere in this document may be subject to change at the absolute discretion of the Company or finnCap without further notice. References in this document are references to London time unless otherwise stated.

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DIRECTORS, SECRETARY AND ADVISERS

Directors

Andrew Ian Rosenfeld (*Executive Chairman*)

Mark Alexander Epstein (*Chief Executive Officer*)

Jimmy Donal Wales (*Head of Strategy and Digital Community*)

Matthew Christopher Lea (*Finance Director*)

Marisa Cassoni (*Non-executive Director*)

Gary William Hughes (*Non-executive Director*)

Christian Hernandez Gallardo (*Non-executive Director*)

all of:

40 Underwood Street

London

N1 7JQ

Company Secretary

Matthew Christopher Lea

Registered Office

40 Underwood Street

London

N1 7JQ

Nominated Adviser and Broker

finnCap Ltd

60 New Broad Street

London

EC2M 1JJ

Solicitors to the Company

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90 High Holborn

London

WC1V 6XX

Reporting Accountant to

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the Company

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London

W1U 7EU

Solicitors to the Nominated

Stephenson Harwood LLP

Adviser and Broker

1 Finsbury Circus

London

EC2M 7SH

Registrars

Capita Asset Services (a trading name of Capita Registrars Limited)
The Registry
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Kent
BR3 4TU

Public relations

Portland Communications Ltd
1 Red Lion Court
London
EC4A 3EB

Website

www.thepeoplesoperator.com

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DEFINITIONS

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

“Admission”

admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules

“AIM”

the market of that name operated by the London Stock Exchange

“AIM Rules for Companies” or

the rules for companies whose securities are admitted to trading on

“AIM Rules”

AIM, as published by the London Stock Exchange from time to time

“AIM Rules for Nominated Advisers”

the rules setting out the eligibility requirements, ongoing obligations

and certain disciplinary matters in relation to nominated advisers,

as published by the London Stock Exchange from time to time

“Airnet”

Airnet Limited, a company incorporated in England and Wales with registered number 08005266

“Articles of Association” or “Articles”

the articles of association of the Company adopted on

27 November 2014, a summary of certain provisions of which is set out in paragraph 4 of Part IV (Additional Information) of this

document

“Board”

the board of directors of the Company

“Business Day”

a day other than a Saturday, Sunday or other day when banks in

the City of London are not generally open for business

“certificated” or “in certificated form” in relation to an Ordinary Share, recorded on the Company’s register as being held in certificated form (that is not in CREST)

“Companies Act”

the Companies Act 2006, as amended

“Company” or “TPO”

The People’s Operator plc, a company incorporated in England and Wales with registered number 09083874

“Conversion”

the allotment to Andrew Rosenfeld of the Conversion Shares being such number of new Ordinary Shares at the Placing Price, as is equal (rounding down to the nearest whole number of Ordinary

Shares) to the aggregate amount of all sums owed by the Company to Andrew Rosenfeld, which sums shall be applied by way of paying up these Ordinary Shares

“Conversion Shares”

the 2,470,852 new Ordinary Shares to be issued pursuant to the Conversion as set out in paragraph 3.5 of Part IV of this document

“Corporate Governance Code”

the UK Corporate Governance Code issued by the Financial Reporting Council, as in force from time to time

“CREST”

the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations

“CREST Regulations” or “Regulations” the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time

“Directors”

the directors of the Company whose names are set out on page 5 of this document or the directors of the Company from time to time as the context may require

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“Disclosure and Transparency Rules” the disclosure and transparency rules made by the FCA under Part 6 of FSMA

“DPA”

the Data Protection Act 1998

“EE”

Everything Everywhere, the UK mobile network operator

“Enlarged Share Capital”

the entire issued ordinary share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the New Ordinary Shares

“Ericsson”

Telefonaktiebolaget LM Ericsson

“Euroclear”

Euroclear UK & Ireland Limited, the operator of CREST

“Existing Ordinary Shares”

the 59,067,605 Ordinary Shares that are in issue at the date of this document

“FCA”

the UK Financial Conduct Authority

“finnCap”

finnCap Ltd, nominated adviser and broker to the Company

“Founders”

Andrew Rosenfeld, Mark Epstein and Tom Gutteridge

“FSMA”

the Financial Services and Markets Act 2000, as amended

“Group”

the Company and its subsidiaries (as defined in the Companies Act)

“Holdings”

The People’s Operator Holdings Limited, a company incorporated in England and Wales with registered number 07978114

“Holdings Shares”

ordinary shares of £0.0001 each in the issued capital of Holdings

“HMRC”

Her Majesty's Revenue & Customs
"ICT"
information and telecommunication technologies
"ITU"
International Telecommunications Union
"LLP"
the People's Operator (UK) LLP, a limited liability partnership formed in England and Wales with registered number OC380236
"London Stock Exchange"
London Stock Exchange plc
"Maenetcom"
Maenetcom Limited, a company incorporated in England and Wales with registered number 08206358
"Mass1"
Mass1 Ltd, a company incorporated in England and Wales with registered number 06984879
"NED Fee Shares"
the 175,986 new Ordinary Shares to be issued to non-executive Directors on Admission in respect of the payment of fees due to them in respect of their positions as non-executive directors and for the provision of consultancy services for the period up to and including 31 December 2015
"New Ordinary Shares"
together, the Placing Shares, the Conversion Shares and the NED Fee Shares
"Official List"
the Official List of the UK Listing Authority
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"Ordinary Shares"
ordinary shares with a nominal value of £0.0005 each in the capital of the Company
"Placee"
an investor to whom Placing Shares are issued pursuant to the Placing
"Placing"
the conditional placing by finnCap of the Placing Shares with institutional and other investors at the Placing Price pursuant to the Placing Agreement
"Placing Agreement"
the conditional agreement dated 28 November 2014 made between the Company, the Directors, Tom Gutteridge and finnCap relating to the Placing and which is summarised in paragraph 7.2 of Part IV of this document
"Placing Price"
130 pence per Placing Share
"Placing Shares"
the 15,384,616 new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing
"Prospectus Directive"
EU Prospectus Directive 2003/71/EC including any relevant measure in each member state of the European Economic Area that has implemented Directive 2003/71/EC
"Prospectus Rules"

the prospectus rules made by the FCA under Part 6 of FSMA
“Registrars”
Capita Registrars Limited
“Shareholders”
holders of Ordinary Shares
“Share Option Schemes”
has the meaning given in paragraph 6.1 of Part IV of this document
“Sprint”
Sprint Spectrum LP
“Takeover Code”
the City Code on Takeovers and Mergers
“Takeover Panel”
the Panel on Takeovers and Mergers
“TGCom”
TGCom Limited, a company incorporated in England and Wales
with registered number 08206393
“The TPO Foundation”
The TPO Foundation, a company limited by guarantee incorporated
in England and Wales with registered number 08213776
“TPOF Limited”
TPOF Limited, a company incorporated in England and Wales with
registered number 08005531
“United Kingdom” or “UK”
the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”
the FCA acting in its capacity as the competent authority for the
purposes of Part 6 of FSMA
“uncertificated” or
in relation to an Ordinary Share, recorded on the Company’s register
“in uncertificated form”
as being held in uncertificated form in CREST and title to which may
be transferred by means of CREST
“VAT”
value added tax
“\$” or “dollars”
US dollars, the lawful currency of the United States
“£” or “sterling”
UK pounds sterling, the lawful currency of the United Kingdom
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GLOSSARY OF TECHNICAL TERMS

“MVNA”
mobile virtual network aggregator
“MVNE”
mobile virtual network enabler
“MVNO” or “Mobile Virtual Network
Operator”
a wireless communications services provider that does not own the
wireless network infrastructure over which it provides services to its
customers. An MVNO enters into a business agreement with a
mobile network operator, or with an MVNE, to obtain bulk access
to network services at wholesale rates, then sets retail prices
independently
“PAYG,” “prepay” or “pay-as-you-go” a mobile phone contract for which credit is purchased in advance

of service use

“PAYM”, “post-pay” or “pay-monthly” a mobile phone contract for which service is provided by a prior arrangement with a mobile network operator or MVNO

“Smartphone”

a mobile phone with more advanced computing capability and connectivity than a basic phone

SOURCES AND BASES OF CERTAIN INFORMATION

Save as otherwise stated, the following constitute the sources and bases of certain information referred to in this document.

“ARPU”

average revenue per subscriber, calculated by TPO on the basis of management information to illustrate the underlying average monthly revenue from one active subscriber, in the following manner:

in respect of PAYM, ARPU is calculated as the aggregate of:

–

ongoing subscription revenue from ongoing PAYM subscribers (being subscribers except those on promotional offers or outliers) divided by such number of ongoing subscribers at the start of the relevant month; and

–

total out of bundle revenue for that month divided by the number of ongoing subscribers at the end of that month.

in respect of PAYG, it is calculated as the total value of top-ups in a certain month divided by the number of subscribers who have topped up in that month.

Comparative UK monthly averages for ARPU are taken from Ofcom, “The Communications Market 2014”, August 2014. The average cited relates to the twelve month period to 31 December 2013. TPO are not aware of the basis of calculation of these figures by Ofcom. TPO do not offer bundled handsets in UK and therefore, for comparison purposes, PAYM average has been adjusted by the Company to deduct a prudent estimate of a typical monthly cost of a bundled handset worth £200 over a 24 month period. The Board considers that the cost of a bundled handset is likely to be greater than £200.

“Blended”

an average encompassing both PAYM and PAYG

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“Churn”

the percentage rate over a period at which subscribers stop being subscribers, calculated on the basis of management information as the sum of, in any month:

–

the number of PAYM subscribers closing accounts (either as a result of a subscriber porting out to another network, having their account terminated due to unpaid bills or otherwise requesting to cancel their account); and

–

the number of active PAYG subscribers who have previously ‘topped-up’ either porting out to another network or becoming dormant (that is, having no activity in past 90 days); and dividing this amount by the sum of the number of the previous

month's total number of active PAYM and PAYG subscribers and the number of new active PAYM and PAYG additions, less any refunds.

“CPA”

cost per acquisition of subscriber, calculated on the basis of management information as the total direct costs of new PAYM and PAYG subscribers acquired in that month (including, amongst others, sales commissions and SIM picking, packing and postage costs), divided by the number of new subscribers acquired in that month.

Comparative figures are derived from the financial results of EE for the six months to 30 June 2014. These results refer to “Subscriber Acquisition Cost”, which are considered by the Board to be analogous to CPA.

“Subscriber”

in the context of ARPU, CPA and churn metrics for TPO, Subscriber refers to those users who have been active (call, SMS or data usage) in the past 90 days

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PART I INFORMATION ON THE GROUP

Introduction

TPO believes that it operates the world's first cause-based commercial MVNO with a strategy of customer acquisition through viral networking and online communities.

The Group believes that its customer acquisition model, through viral networking and online communities, means that customers can be acquired at a lower cost per user than the market norm and retained for longer than the market average through a strong attachment to their chosen causes, whilst achieving a market average revenue per subscriber.

Operationally, as an MVNO, the Group intends to maintain a comparatively low central cost base relative to traditional mobile network operators along with a low incremental cost as its activities and customer base grows.

The Group is structured such that, in the UK, The TPO Foundation, an independent charitable foundation, will receive 25 per cent. of the UK trading profits generated by the LLP and customers are also able to direct 10 per cent. of their monthly bill to a cause of their choosing. The TPO Foundation will, in turn, distribute its income to community causes associated with the UK. A similar structure is proposed to be adopted in other countries as TPO expands globally.

TPO, under the direction of Jimmy Wales, the founder of the online encyclopaedia Wikipedia, is developing an online viral community to expand the global network of mobile phone customers who share in the common belief of supporting causes. In the UK, customer acquisition by viral networking should allow TPO to spend significantly less than its competitors on advertising and marketing per acquired user, whilst users' attachment to their chosen causes should reduce customer churn. The Directors believe that this business model is unique, and that TPO benefits from first mover advantage in both its sales proposition and approach to customer acquisition.

The Group currently has more than 11,000 subscribers, which already exceeds the Board's target for 2014 as a whole. This has increased from approximately 5,800 subscribers at 30 June 2014. Approximately 3,000 of these subscribers were secured since the end of August 2014, representing growth of approximately 37 per cent. in that period alone.

Background and history

TPO was founded in 2012 by Andrew Rosenfeld, Mark Epstein and Tom Gutteridge, who identified and developed the concept of a commercially-driven, cause-based MVNO. TPO was incorporated in March 2012, following which significant investment was made in product and business concept development, focus group research, and the establishment of the MVNO infrastructure. In November 2012, TPO launched its PAYG offering with full commercial launch of the PAYM offer in April 2013.

The Founders determined that the cornerstone appeal of their proposition to customers would encompass:

- wide network coverage;
- competitive pricing; and
- an opportunity for customers to support causes, ideally without pledging their own money.

The Group is based in Shoreditch, in London's "Tech City". The Directors intend that the centre of the Group's business activities will remain in the UK.

The Company's development has to date been entirely funded by loans from Andrew Rosenfeld. These loans, amounting to approximately £3.21 million at 25 November 2014, will on Admission be converted at the Placing Price into 2,470,852 Conversion Shares as referred to at paragraph 3.8 of Part IV of this document, following which the Group will have no indebtedness.

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Operating model

The Directors believe that customers will join TPO for three main reasons:

- they wish to support a cause, whether that be an international, national or local concern, which can be supported by using their mobile phone, with no financial responsibility and minimal organisation on their part;
- the offering is competitively priced relative to competitors in the market; and
- its network coverage is comparable with competitors.

TPO delivers revenue growth through a business model centred on achieving lower than average customer acquisition costs, as a result of a marketing strategy differentiated from its more established competitors, and the Directors believe that it should be possible to deliver a lower subscriber churn rate as a result of its subscribers' strong attachments to their chosen causes and to the TPO brand. The Directors believe this will result in a high level of long term recurring revenue as the Group expands. The Board believe this marketing approach is capable of roll-out in different countries at a low incremental cost.

At the end of October 2014, the Company was performing strongly against its key metrics:

- average revenue per subscriber was £11 for PAYG, compared to the comparable UK average of £5, and* £17 for PAYM subscribers, which the Board believes to be in line with SIM-only PAYM propositions in the UK market;
- an overall blended average customer acquisition cost of approximately £8, compared to £68 for a major UK operator for Q2 2014; and
- a monthly subscriber churn of less than 3 per cent.

UK operations

In the UK, the Group has entered into an operating agreement with Transatel, an MVNE, to secure access to the mobile communications services that EE provides using the EE infrastructure and hardware. EE provides the widest UK coverage and 4G capability of any UK mobile network operator. Transatel is also responsible for providing TPO with billing and utilisation data per user. Further details of this agreement can be found at paragraph 7.10 of Part IV of this document.

In the UK, TPO offers both a prepaid PAYG and postpay PAYM service to its customers. In both cases, customers order their SIM cards through the TPO website or by telephone. TPO does not provide a mobile handset device to customers in the UK. PAYG customers can 'load' money onto their SIM cards either via TPO's website or via retailers who provide such services. TPO outsources to third parties services that are required in order to facilitate a PAYM service, such as credit checking and direct debit origination. In addition to the relationship with Transatel, the Company has entered into arrangements with a number of other partners to outsource certain processes and services. This allows the Company to maintain a comparatively low central cost base whilst retaining the ability to rapidly scale up operations without significant incremental cost. For example:

- Aurora Kendrick James Limited provide a managed billing service;
 - Callcredit Limited provide potential customer identity verification services.
 - Cellpak Solutions Limited have been appointed to distribute SIM cards to users;
 - Metacharge Limited (commonly known as “paypoint.net”) provide payment services to TPO’s customers enabling them to make payments and top-up payments in participating shops and online;
 - MPL Systems, an external customer contact centre, supplement the Company’s own customer service call agents in case of overflow.
- The diagrams below set out the process followed by TPO in setting up a new customer order on PAYM and PAYG respectively:

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PAYM

PAYG

Future strategy

The strategy of the Group is to maintain a low fixed-cost base, small staff numbers and lower levels of advertising and marketing expenditure than its competitors. Because TPO operates as an MVNO, the Directors do not believe that the Group will be exposed to the high infrastructure costs and large capital investment charges that traditional mobile operators can incur. The Directors believe that this strategy is scalable into new markets around the world. The Board intends that the Group will only operate in countries and regions that offer competitive wholesale mobile network bandwidth prices. Once network agreements have been concluded with local network operators, subscriber acquisition and revenue growth can be driven quickly and at a low incremental cost.

In April 2014, TPO entered into discussions with Sprint with the intention of entering into an operating agreement to provide a fully integrated mobile phone service across the USA. Sprint is the third largest wireless network operator in the USA with over 53 million customers. In September 2014, a long term operating agreement was entered into and it is anticipated that the Group will commence trading in the USA from Spring 2015 subject to TPO having received the relevant US regulatory licenses. Further details of this agreement can be found at paragraph 7.11 of Part IV of this document.

Following expansion into the USA, the Directors have identified a number of jurisdictions for future expansion of the TPO offering: Mexico, Brazil, Asia and Europe. The Directors believe that the potential for customer acquisitions in these regions is significant, with established MVNOs and minimal structural barriers to entry. In accordance with this strategy, over the next 18 months the Group intends to negotiate a series of operating agreements with established network operators in these regions with a view to replicating the model in an increasing number of countries worldwide.

Online community and viral growth strategy

In January 2014, Jimmy Wales joined the Board of TPO to lead its plans for expansion based on a similar model to that of Wikipedia: using communities of people as volunteers and ambassadors to develop new networks of mobile phone customers who share in common causes, both locally or globally. Wikipedia is one of the world’s largest digital communities with more than 550 million readers every month, is translated into over 200 languages and is available in every country in the world.

The Group is developing an online community platform, that can be extended globally, for cause based customers which is expected to expand virally and incur lower advertising and marketing costs than traditional operators. The digital component will initially be focused on developing the business in the USA.

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Building an online community involves a gradual roll out of technology enabling tripartite communication between customers, causes and TPO. The Directors believe this approach should facilitate significant increases in customer traffic and take-up from an early stage of the digital development, whilst increasing

customer loyalty and brand attachment.

Jimmy Wales has built a core team of developers and user-experience designers at TPO who are working with him on a continual process of platform development. The code base has been selected, the underlying technical framework has been fully established and the user experience design and development programme is gearing up for roll-out.

Growth, market and competition

UK

The Group's initial focus will be on continuing to build its business in the UK. MVNO's are well established in the UK market place, with MVNO brands including giffgaff, Lycamobile, Lebara, Tesco Mobile and Virgin Mobile. The Directors believe that these MVNO's are primarily niche operators focusing on a specific group of customers, such as young people who use large amounts of data on Smartphones or those people who want to make low cost overseas calls. The traditional principal network operators are EE, O2, Vodafone and Three. In total, there are approximately 83 million live mobile subscriptions in the UK.

The Directors believe that TPO's customer proposition appeals to a broad potential market of mobile phone users.

USA

The Group's planned expansion into the USA will allow TPO to enter a market with approximately 335 million mobile subscriptions (estimated by the ITU as at 31 December 2013). There are four main network operators that offer a nationwide wireless mobile service: Verizon Wireless, AT&T Mobility, Sprint Corporation and T-Mobile. MVNO's are well established in the USA market place, with over 140 MVNO's currently operating. Operators include Tracfone Wireless, Virgin Mobile USA, Truphone Americas and Simple Mobile.

The Directors believe that the mobile phone market dynamics in the USA are particularly attractive for the Group's expansion plans because they have observed that:

- it is a single large market where the average customer churn is significantly lower than in Europe;
- the speed of data networks is significantly faster than in Europe;
- the average revenue per user is significantly higher than those in Europe;
- on average US subscribers used more voice calls than those in Europe;
- on average US subscribers were predicted to use in 2013 twice as much data on a monthly basis compared to those in Europe;
- the legislative landscape in the USA makes it easier for subscribers to change their service provider than in the UK; and
- it is customary in the USA for mobile phone handset purchases to be financed through third party finance providers, and not bundled with mobile phone subscriptions on a potentially subsidised basis, as in the UK. As such, offering mobile phone handsets in the USA should be cashflow neutral to the service provider and accordingly TPO currently intends to offer handsets to subscribers in the USA.

Global

The Group intends to roll out the TPO offering globally, and the Directors believe there are compelling reasons why this strategy will be successful.

According to the ITU there are approximately seven billion mobile phone subscribers worldwide. The predominant driver of global mobile phone subscribers is growth in the developing world, led primarily by China and India.

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According to ITU, the Americas, Europe and Asia Pacific account for 5.4 billion of the total 6.9 billion mobile subscriptions. Ericsson forecasts that mobile subscriptions will reach 9.3 billion in 2019 and 5.6 billion of these will be Smartphone subscriptions.

There are currently 14 countries with more than 100 million mobile phone subscriptions, including TPO's target markets.

Smartphone growth

In 2014, the global number of Smartphones in use is estimated to have reached over two billion units. Ericsson predicts that by 2018 the number of worldwide Smartphone subscriptions will reach over five billion. The Directors believe that the growth in Smartphone units is a key driver of the ARPU metric due to the higher data usage on Smartphones when compared to lower technology mobile phones.

Key Strengths

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

- *Significant potential for growth:* by 2016, the size of the global mobile phone market is predicted to reach 8.5 billion subscriptions (source: Portio Research). The Company's forecasts take into account currently only achieving up to 2 per cent. penetration of the UK and US markets by 2021, which at present have approximately 83 million and 335 million mobile subscriptions respectively. As outlined above, the Directors believe that the US is an attractive market and will act as a springboard for its planned global growth. The Company plans to launch in a number of other territories as soon as practicable.
- *Distinctive and differentiated sales proposition:* TPO is believed to be the world's first cause-based commercial MVNO with a strategy of customer acquisition through viral networking and online communities. The Directors believe that TPO is the only caused based alternative in the mobile sector that will have wide customer appeal and be offered on a global scale. There is a uniquely symbiotic relationship between the Group and its customers, based on the increased money distributed to causes along with the growth in TPO's profits.
- *First mover advantage:* the Company has developed, commercialised and launched a business model that the Directors believe is markedly different to those of its competitors. The Board considers that the Company has the benefit of first mover advantage in both its sales proposition, and its approach to customer acquisition through viral marketing. The commercial, legal and technological complexities in creating the business, as well as the expertise in online communities and viral networking of Jimmy Wales, means that this would be difficult to replicate in the short term. Traditional mobile network operators are restricted by existing revenue models, infrastructure costs, and dividend structures which the Board believe would be difficult to retrospectively adjust.
- *Robust financial model:* the Company's business model is based on low fixed costs, minimal advertising, and the development of an online viral cause based community. The Board therefore intend to ensure that the cost of customer acquisition is lower than its competitors and industry standards. This model can be efficiently repeated and scaled as new markets are entered around the world. The Board believes that subscribers will remain loyal to the network due to their belief in chosen causes, stay connected via the online community, with the combined effect of continuing to subscribe to the network for longer periods than usual in the industry.

Current trading

The Group currently has more than 11,000 subscribers, consisting of an active PAYG subscriber base of approximately 7,000 and an active PAYM base of 4,000. This has increased from approximately 5,800 subscribers at 30 June 2014. Approximately 3,000 of these subscribers were secured since the end of August 2014, representing growth of approximately 37 per cent. in that period alone. This increase has been made even though the Group has, to date, focused more on system development and establishing methodologies than driving subscriber growth.

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As at the end of October 2014:

- Average revenue per subscriber was £11 for PAYG (compared to the comparable UK average of £5) and £17 for PAYM (which the Board believes to be in line with SIM-only PAYM propositions in the UK market);
- Overall blended average customer acquisition costs were approximately £8 (which compares to £68 for a major UK operator in Q2 2014); and
-

Monthly subscriber churn was less than 3 per cent.

Whilst TPO is therefore still at an early stage in its development, the results stated above are broadly in line with the Board's expectations and the Board is confident in maintaining a strong rate of customer acquisition. Save as disclosed in this document, there are no known trends, uncertainties, demands, events or commitments that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.

Board of Directors & Senior Management

Directors

Andrew Rosenfeld *(Chairman)*

Andrew was the founder, former Chief Executive and Chairman of Minerva plc, the property investment and development group. The company was founded with an issued share capital of £70,500 and when Andrew stepped down as Chairman in 2006, the Company was amongst the FTSE 250 and valued at over £600 million. Since Minerva, Andrew has been an active private investor.

Jimmy Wales *(Executive Director of Strategy and Digital Community)*

Jimmy is the founder of the free online encyclopaedia Wikipedia, which is read by more than 500 million users every month and has 18 billion page views. He is a board member of the Wikimedia Foundation, a non-profit charitable organisation. Jimmy holds a degree in finance from Auburn University and a Masters in finance from the University of Alabama.

Mark Epstein *(Chief Executive Officer)*

Prior to co-founding TPO, Mark co-founded and ran Mass1, where he built the business into a leading UK campaign agency, working with organisations including Channel 4, and charities such as DEC (Disasters Emergency Committee). Before starting Mass1, Mark held senior management positions in the mobile and creative industries.

Matt Lea *(Finance Director)*

Matt joined TPO in August 2014 and leads the finance strategy and finance function. Matt is a CIMA qualified accountant with previous experience across a range of multi-national corporations, including Shell, BT and Capital One.

Gary Hughes *(Non-Executive Director)*

Gary has had an extensive career in both the public and private equity markets. He is currently an operating executive at Apax Partners LLP where he primarily works on performance improvement for portfolio companies whilst also assisting with operational due diligence and providing interim management services to portfolio companies. Gary's experience includes various leadership roles including group finance director at both Scottish Media Group plc and Emap plc, CEO of CMP Information, a division of United Business Media plc and CFO of the Gala Coral Group. He is currently a non-executive director of J Sainsbury plc, Premier Farnell plc, SECC Limited and Matomy Media Group plc and is a non-executive director and Apax's representative on the board of Smart Technologies Inc. Gary holds a First Class degree in Economics and Econometrics from the University of Strathclyde and is a Fellow of the ICAEW.

Marisa Cassoni *(Non-Executive Director)*

Marisa is a chartered accountant and finance professional with more than 35 years of experience. Her expansive career includes corporate finance, investigations and restructuring across a variety of industries and jurisdictions. She moved into commerce, joining the Prudential Group where she progressed through a series of senior finance roles to the position of finance director of the UK Division, following which she

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became the finance director of Britannic plc. Between 2001 and 2005 she was the finance director of the former Post Office (subsequently the Royal Mail), and joined the John Lewis Partnership in 2006 as their finance director, before retiring in 2012. She is currently a non-executive director at AO World Plc, Skipton Building Society and GFI Group, Inc.

Christian Hernandez Gallardo *(Non-Executive Director)*

Christian has over 17 years of operating experience in technology companies, developing businesses internationally. Prior to being a co-founder of White Star Capital, Christian worked at Facebook where he led the international expansion of its Business Development, Platform and Gaming Partnerships groups. Prior to Facebook, he held leadership roles for three years at Microsoft, specialising in smartphones and mobile business development, before moving onto Google and fulfilling the roles of Head of New Markets

and Head of Distribution Partnerships. Christian is on the board of Glow Digital Media, Keyme, eLife Sciences Publications and is a Board Observer at Bloglovin'. Christian holds a degree in economics from Duke University and an MBA from The Wharton School.

Senior management

Tom Gutteridge (*Creative Director*)

Co-founder of TPO, and co-founded Mass1 alongside Mark Epstein. At TPO he is responsible for the creative direction, brand development and is working with Jimmy Wales to develop the TPO online community.

Jon Fawcett (*Head of Sales*)

Jon joined TPO in April 2013. He previously worked at Orange and Cable and Wireless before joining Lebara Mobile, where he was group head of marketing.

Sam Tillotson (*Head of Operations*)

Sam joined TPO in May 2012 as one of its first employees and is responsible for the operational aspects of the Group. Previously he worked at Blyk and Alcatel-Lucent where he worked on the development, launch and management of platforms for mobile operators across Europe, the Middle East and Africa.

Global advisory board

TPO is forming a global advisory board to provide guidance and strategic advice to the Board. The first member of the global advisory board is Sean Parker, an entrepreneur who co-founded the file-sharing computer service Napster and served as the first president of the social networking website Facebook Inc. He currently serves on the board of directors of Spotify and is an active investor and philanthropist.

Reasons for Admission

The Directors believe that Admission will assist TPO in its growth by:

- enabling investment to fully develop the viral, online, global community platform to help fuel customer demand;
- enabling negotiation of new MVNO agreements in additional countries; and
- providing working capital to accommodate growth and customer acquisition.

In addition to funds, Admission will:

- strengthen the public profile of the Group, encouraging consumer interest with associated news flow;
- strengthen the balance sheet and transparency of the Group thereby improving the Group's position in negotiations with mobile operators with whom commercial agreements are to be negotiated;
- open up access to capital if further growth funding for territorial expansion is justified; and
- provide transparent incentives to attract and retain staff and expertise.

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Use of Proceeds

Development of global community website and viral marketing

£7 million

Ongoing working capital

£8 million

Further global expansion

£3 million

Transaction costs

£2 million

Total

£20 million

Share Option Schemes and Warrants

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the Group's management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group. Accordingly, the Company has established the Share Option Schemes. Further details of the Share Option Schemes and the options granted thereunder are set out in paragraph 6 of Part IV of this document. As at the date of this document, options have been granted under the Share Option Schemes over an aggregate of 376,900 Ordinary Shares, representing approximately 0.4 per cent. of the Enlarged Share Capital.

The Company has granted Jimmy Wales a warrant to subscribe for a number of Ordinary Shares determined by reference to the rise in value above the Placing Price of 2,658,042 Ordinary Shares at the time of exercise and the price payable by Jimmy Wales on exercise of the warrant being the par value of each share so subscribed for. Further details of this warrant agreement are set out in paragraph 3.6 of Part IV of this document.

Details of the Placing

finnCap has entered into the Placing Agreement with the Company, the Directors and Tom Gutteridge. Under the Placing Agreement, finnCap has conditionally agreed, as agent of the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed with institutional and other investors, including Andrew Rosenfeld who has subscribed for 936,780 Placing Shares. The Placing is not being underwritten.

The Placing is conditional, amongst other things, on Admission taking place on or before 4 December 2014 (or such later date as the Company and finnCap may agree, but in any event not later than 31 December 2014) and on the Placing Agreement becoming unconditional and not being terminated prior to Admission. The Placing Shares will be issued credited as fully paid and will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, the Conversion Shares and the NED Fee Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares will represent approximately 20.0 per cent of the Enlarged Share Capital.

After deduction of fees, commissions and expenses payable by the Company, the net proceeds of the Placing receivable by the Company will be approximately £17.9 million. A commentary on the proposed use of the net proceeds of the Placing is given in the sections headed "Reasons for Admission" and "Use of Proceeds" in this Part I.

Further details of the Placing Agreement are set out in paragraph 7.2 of Part IV of this document.

Lock-in and orderly market arrangements

Each of the Directors and Tom Gutteridge, who will together be beneficially interested in a total of 62,651,223 Ordinary Shares on Admission (representing approximately 81.3 per cent. of the Enlarged Share Capital), have undertaken to the Company and finnCap that, except in limited circumstances, they will not dispose of any Ordinary Shares during the period of 12 months from Admission and that, during the period of 12 months from the first anniversary of the date of Admission, they will not dispose of any Ordinary Shares unless such disposal is made on an orderly market basis through the Company's broker from time to time.

Accordingly, on Admission, a total of 62,651,223 Ordinary Shares will be subject to the lock-in and orderly market arrangements described above representing approximately 81.3 per cent of the Enlarged Share Capital.

Further details of the lock-in and orderly market undertakings are set out in paragraph 7.4 of Part IV.

Relationship Deed

Immediately following Admission, Andrew Rosenfeld will be entitled to exercise or control the exercise of voting rights in respect of approximately 56.1 per cent. of the Enlarged Share Capital and will have the ability to exercise a controlling influence on the business of the Company. Accordingly, the Company has entered into a relationship deed with Andrew Rosenfeld and finnCap to regulate the use of Andrew Rosenfeld's shareholding pursuant to which Andrew Rosenfeld undertakes to ensure, so far as is within his powers, that the Company is capable at all times of carrying on its business independently of him and his affiliates. The parties to the relationship deed also agree that all transactions and relationships between Andrew Rosenfeld and members of the Group will be at arm's length and on a normal commercial basis. The provisions of the deed remain in full force and effect for so long as Andrew Rosenfeld retains more than 20 per cent. of voting rights in the Company and the share capital of the Company remains admitted to trading on AIM. The

principal terms of the relationship agreement are summarised in paragraph 7.5 of Part IV of this Document.

Corporate governance

The Directors recognise the value and importance of high standards of corporate governance. Accordingly, whilst the Corporate Governance Code does not apply to AIM companies, the Directors intend to observe the requirements of the Corporate Governance Code to the extent they consider appropriate in the light of the Group's size, stage of development and resources. The Board also proposes, so far as practicable, to follow the recommendations set out in the Corporate Governance Code for Small and Mid-Sized Companies published by the Quoted Companies Alliance.

Board

The Board will be responsible for the overall management of the Group including the formulation and approval of the Group's long term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board; such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will meet regularly to review performance.

The Board currently comprises seven Directors, of whom four are executive and three are non-executive. The Board considers all of the non-executives to be independent for the purposes of the Corporate Governance Code.

The Board has established an audit committee, remuneration committee and nomination committee with formally delegated duties and responsibilities, as described below.

Audit committee

The audit committee will be responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, monitoring the effectiveness of the internal audit function and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The audit committee will initially comprise each of the Company's non-executive Directors and will be chaired by Marisa Cassoni. The audit committee will meet up to three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee will also meet regularly with the Company's external auditors.

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Remuneration committee

The remuneration committee will be responsible for determining and agreeing with the Board the framework for the remuneration of the executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of non-executive Directors will be a matter for the chairman and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration.

The remuneration committee will initially comprise each of the Company's non-executive Directors and will be chaired by Gary Hughes. The remuneration committee will meet at least twice a year and otherwise as required.

Nomination committee

The nomination committee will be responsible for reviewing the structure, size and composition of the Board and identifying and nominating, for the approval of Board, candidates to fill vacancies on the Board as and when they arise.

The nomination committee will initially comprise each of the Company's non-executive Directors and will be chaired by Andrew Rosenfeld. The nomination committee will meet at least twice a year and otherwise as required.

Share dealing code

The Company has adopted a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company will take proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM Rules (including Rule 21).

Dividend policy

The Directors currently propose to re-invest earnings of the Company to finance the development and expansion of the business and, accordingly, it is not envisaged that the Company will pay any dividends in the short to medium term.

The Board will, however, consider commencing the payment of dividends as and when the development and profitability of the Company allows and the Board considers it commercially prudent to do so. The declaration and payment of dividends and the quantum of such dividends will, in any event, be dependent upon the Company's financial condition, cash requirements and future prospects, the level of profits available for distribution and other factors regarded by the Board as relevant at the time.

Settlement and dealing arrangements

Application has been made to the London Stock Exchange for the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 4 December 2014.

The Ordinary Shares will be in registered form and will be eligible for settlement through CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles of Association contain provisions concerning the holding and transfer of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

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In the case of Placees who have requested to receive New Ordinary Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 4 December 2014. In the case of Placees who have requested to receive New Ordinary Shares in certificated form, it is expected that share certificates will be despatched by post within 14 days of the date of Admission.

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

Takeover Code

The Company is a public company incorporated in the UK and has its place of central management and control in the UK. Accordingly, the Takeover Code applies to the Company and, as a result, Shareholders are entitled to the benefit of the takeover offer protections provided under the Takeover Code.

Further information concerning the Takeover Code is set in paragraph 9 of Part IV of this document.

Taxation information for investors

The attention of investors is drawn to the information regarding taxation set out in paragraph 8 of Part IV of this document. This information is intended only as a general guide to the current tax position under UK taxation law for certain types of investor. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.**

Further information

The attention of prospective investors is drawn to the financial and other information set out in Parts I to IV inclusive of this document, which provide additional information on the Company. In particular, prospective investors are advised to consider carefully the risk factors relating to any investment in Ordinary Shares set out in Part II of this document.

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RISK FACTORS

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

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

This document contains forward looking statements, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumption and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the risk factors described in this Part II. The Directors believe that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement. Factors that might cause a difference include, but are not limited to, those discussed in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. The Company disclaims any obligation to update any such forward-looking statements in the document to reflect future events or developments.

Prospective investors are advised to consult an independent adviser authorised under FSMA. If any of the following risks relating to the Group were to materialise, the Group's business, financial condition and results of future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his, her or its investment.

Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Group. In addition to the usual risks associated with an investment in a company, the Directors consider the following risk factors to be significant to potential investors:

Risks relating to the Group

Acceptance of the Group's services

The success of the Group will depend on the number of competitors in the market and the market's acceptance of its business model and, in particular, the concept of charitable donations being made from a mobile telephone contract. There can be no guarantee that this acceptance will be forthcoming, that an acceptable value will be placed upon the Group's services or that the Group's services will succeed as an alternative to other services from alternative new and incumbent operators.

If acceptance of the Group's services fails to develop or develops more slowly than anticipated, the Group may be unable to recover losses incurred in the development of its products and may never achieve profitability. In addition, the Directors cannot guarantee that the Group will continue to market its services if market conditions do not support the continuation of such services.

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Early stage of operations

There are a number of additional operational, strategic and financial risks associated with early stage companies. In particular, the Group's future growth and prospects will depend on its ability to stay competitive with its pricing, market its services and generate sufficient commercial appeal, to manage growth and to continue to improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to improve operational, financial and management information and quality control systems in line with the Group's growth could

have a material adverse effect on its business, financial condition and results of operations.

There can be no certainty that the Group will achieve increased or sustained revenues, profitability or positive cash flow from its operating activities within the timeframe expected by the Board or at all. The development of the Group's revenues is difficult to predict and there is no guarantee that it will generate any material revenues in the foreseeable future. The Group has a limited operating history upon which its performance and prospects can be evaluated.

Ability to win or maintain market share

Whilst the Directors believe that the Group has a plan to develop a strong position in its chosen markets, there are no assurances that the Group will win market share from its competitors.

The Group's competitors may be able to respond more quickly to changes in customer requirements and/or demands or devote greater resources to the development, promotion and sales of their products and services than the Group can. The Group's current and potential competitors may develop and introduce new products and services that could be priced lower, provide superior performance, achieve greater market acceptance or which could be bundled up as a broader joint offering than the Group's products and services. The Group's current and potential competitors have established, or may establish, financial and strategic relationships amongst themselves or with existing or potential customers or other third parties to increase the ability of their services to address customer needs or to acquire significant market share. Existing and/or increased competition could, therefore, adversely affect the Group's market share and/or force the Group to reduce the price of its products, which could have a material adverse effect on the Group's performance, financial condition or business prospects.

Business development activity

New businesses or activities the Group undertakes may not deliver target outcomes and may expose the Group to additional operational and financial risk. Business development activities entail a number of risks, including that they may be based on incorrect assumptions or conclusions and the Group may suffer on account of unanticipated costs and liabilities and other unanticipated effects. The occurrence of any of these events could have a material adverse impact on the Group's results of operations or financial condition and could also impact its ability to enter into other territories.

Management of growth

The ability of the Group to implement its strategy requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management and operational, financial and personnel resource. Therefore, the Group's future growth and prospects will depend on its ability to manage this growth. The value of an investment in the Company is dependent upon the Company achieving the aims set out in this document. There can be no guarantee that the Company will achieve the level of success that the Board expects.

Multi-jurisdictional operations and regulation

The Group intends to operate in numerous jurisdictions. The Group's operations will be reliant on it identifying and adhering to the regulatory requirements in those jurisdictions including those that apply to the offering of mobile telephony services, data protection, registered charities or causes. There can be no guarantee that the Group will always be able to identify such requirements or put in place the necessary licences and/or approvals. If a member of the Group was found not to have the appropriate licences and/or approvals or to have violated the terms of such licence or any local laws and/or regulations, the Group could incur a fine (the amount dependent on the nature of the violation), the relevant member of the Group could be subject to financial liability, required to change its business practices or forced to suspend or terminate operations

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in the relevant territory. Alternatively, a member of the Group could be required to obtain new or different licences or regulatory approvals. Such eventualities could result in costs or other consequences that could materially adversely affect the financial performance and/or prospects of the Group.

Ability to compete in the mobile services industry in the UK

The Group operates in highly competitive markets and significant service innovations or increased price competition could impact future profit margins. The Directors anticipate that the Group will face continued competition in the future as the market grows, new legislation is introduced into the EU which will enable more cross-border companies to operate more seamlessly, new companies enter the market and alternative faster/cheaper technologies and services become available. The existing approaches of the Group's

competitors or new approaches or technologies developed by such competitors may be more effective or affordable than those supplied to the Group. There can be no assurance that the Group's competitors will not develop more effective or more affordable services or exploit the opportunity to bundle up service offerings (e.g. mobile, fixed, TV, broadband) which Group does not currently offer, thus rendering the Group's services obsolete, uncompetitive or uneconomical. There can be no assurance that the Group will be able to compete successfully with existing or potential competitors or that competitive factors will not have a material adverse effect on the Group's business, financial condition or results of operations.

Legislative and regulatory risks

In the UK and US, the Group is subject to varying laws and regulations, including possible adverse effects from regulatory intervention. The mobile phone markets in the UK and Europe are subject to operating requirements at a European level in addition to domestic requirements defined by the relevant domestic sector regulators and/or government departments. Amendments to the regulatory regime could have an impact on the Group's ability to achieve its financial goals.

However, it should be noted that the regulatory environment for the various markets in which the Group operates is generally focused on promoting competition. As one of the new entrants, it seems reasonable to expect that most such changes will broadly be beneficial to the Group, given the Group's relatively small size compared to the incumbents with whom it competes. Although these changes, and their actual impact, remain uncertain at present new legislation governing the UK market is currently going through the parliamentary process and is anticipated to come into force within the next 12 months.

In particular, licences are not required in the UK to provide communications networks or services and accordingly the Group operates under a "general authorisation" to do so. The Group is however required to comply with the "General Conditions of Entitlement". Failure to comply with such conditions could result in operational restrictions being imposed upon the Group and/or the imposition of a fine for any breach, which would have a significant detrimental impact on its financial performance.

The Company intends to commence trading in the USA from Spring 2015. Certain regulatory licenses, including a license to be granted by the US Federal Communications Commission pursuant to the US Communications Act, are required to be granted prior to the Group being able to do so. Whilst the Board is confident that such licenses will be secured on a timely basis, there can be no certainty that all or any of the required licenses will be granted and/or not revoked at any time, nor the timing of granting of such licenses.

Regulation of Charities and Advertising Code

The TPO Foundation is a charity registered with the Charity Commission for England and Wales. Accordingly the TPO Foundation and the Group, as a commercial partner of the TPO Foundation, must comply with the Charitable Institution's (Funding Raising) Regulations 1994 (the "**Regulations**") which require the Company to make a "solicitation statement" notifying potential customers of information about the TPO Foundation and the amount to be donated. The TPO Foundation is entitled to receive 25 per cent. of the profits of the LLP being the trading entity within the Group). Furthermore, the Group is subject, in the UK, to the Code of Non-Broadcast Advertising, Sales Promotion and Direct Marketing which requires that adverts and promotions must state the actual amount or percentage charged that will be donated to a charity or cause. The Group's operations are predicated on a percentage of each customer's bill being paid to a cause and accordingly it is required to clearly state such when contracting. Although the Directors are confident that it adheres to all such requirements, any failure to do so could result in the imposition of sanctions against the Group.

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Any failure to comply with the Regulations or any other similar laws and regulations in either the UK or any other jurisdiction in which the Group operates currently or in the future, could result in imposition of penalties on either the TPO Foundation or other members of the Group which could have a material adverse impact on the Group's reputation and financial performance. Equally, any changes to the Regulations or other laws and regulations applicable to the charitable operations of the Group could have a material adverse impact on the Group's business strategy and hence ability to penetrate its chosen markets.

Reliance on contractual relationships

The provision of the Group's services in the UK, its current main market of operation, is reliant on the infrastructure and services provided by a third party provider pursuant to an agreement between it and the

Company. The underlying mobile network operator with whom the third party provider has a contractual arrangement is EE. The Group is not a party to this contractual arrangement, but is reliant on a third party provider in the “flow down” of the benefits of such contract to the Group. Furthermore, certain liabilities and responsibilities are transferred to the Group in order to minimise the third party provider’s exposure. The provision of the Group’s services in the US will be reliant on the infrastructure and services of Sprint. In the UK the Group has outsourced a number of the services required to operator its MVNO platform including among other things, the provision of payment services and application processing and the manufacture of SIM cards. While the Directors consider that the terms of the Group’s agreements in respect of such services are in line with market norms, any deficiencies in or a termination of any such agreement would have a material adverse effect on the Group’s operations in the short term at least. The Directors are, however, confident that in such event they would be able to source an alternative provider(s) in relatively short order, but there can be no guarantee that the terms of such provider(s) would be as competitive as those under the current arrangements or that there would be no adverse service interruption to its existing customer base whilst it migrated its customers to any new provider.

Infrastructure risk

The provision of services to the Group’s customers is reliant on the efficient operation of third party physical infrastructure, in particular that operated by EE in the UK and, once the Group commences operations in the USA, Sprint. The Group may also rely on other third party operators in other territories in the near future. There is a risk of disruption to the supply of services to customers through any failure in the infrastructure. Such failures can result from variety of factors within the Group’s or its service providers’ control, including human error, equipment failure, power loss, failure of services, physical or electronic security breaches, as well as factors outside of the Group’s or its service providers’ control, such as sabotage, vandalism, system failures of network service providers, fire, earthquake, adverse weather and other natural disasters, water damage, fibre optic cable cuts, power loss and terrorism.

However, as the infrastructure on which the Group’s services is or will be provided is generally shared with other suppliers, any material disruption to the supply of services is likely to impact a large part of the market as a whole and it is unlikely that the Group would be disproportionately affected. In the event of any prolonged disruption isolated to the Group’s principal supplier within a particular market, the Directors are confident that services required by customers could be sourced from another provider.

Wholesale prices

The Group does not own or operate any utility network infrastructure itself, choosing instead to purchase the capacity needed from third parties. The advantage of this approach is that the Group is protected from technological risk, capacity risk or the risk of obsolescence, as it can purchase the amount of each service required to meet its customers’ needs. The risk is that the Group is unable to guarantee the capacity or functionality of the networks that it uses.

There is also a risk that in some of the areas in which the Group chooses to operate in the future that it may be unable to secure access to the necessary infrastructure on commercially attractive terms.

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Fraud and bad debt risk

Fraud within the telephony industry may arise from customers using the services without intending to pay their supplier. The amounts involved are generally relatively small as the Group has systems to identify material occurrences of fraud.

More generally, the Group is also exposed to payment card fraud, where customers use stolen cards to obtain credit from the Group; the Group may not be able to entirely mitigate this risk.

Highly skilled management and personnel

The Group depends to a significant degree on the continued services of both the senior management and senior employees whom it considers to be key personnel. Their knowledge of both the telecoms markets and their skills and experience (including but not limited to knowledge of the viral marketing and rapid business expansion) are crucial elements to the success of the Group’s business. The loss of key personnel, in particular Jimmy Wales whose expertise in the viral marketing arena and of managing vastly expanding businesses is key to the Group’s future plans, or the Group’s inability to attract, develop and retain additional qualified management and other personnel could have a material adverse effect on the Group’s business.

Risk of negative publicity

Holding sensitive customer data poses a risk for the Group (including personal data held on behalf of customers, negative publicity associated with, for instance, a breach of customer confidentiality or unauthorised disclosure of personal data). Whilst the Directors believe that the Group has established appropriate procedures to minimise the occurrence of such events, any associated negative publicity or threat of litigation against the Group could have a material adverse effect on the Group's performance, financial condition or business prospects.

Data protection issues

Failure to comply with data protection legislation in the countries where the Group operates may leave it open to criminal and civil sanctions. In addition, unauthorised access to the Group's customer data could lead to reputational damage and loss of customer confidence in the Group which could therefore impair the volume of sales achieved by the Group.

Management of intellectual property

The ability to protect its intellectual property, in particular its trademarks, trade secrets and know-how and ability to operate without infringing the proprietary rights of third parties is an important aspect of the Group's competitive advantage.

No assurance can be given that the scope of any copyright protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's copyrights or trademarks will be held valid if challenged or that third parties will not claim rights in or ownership of the copyright, trademarks and other proprietary rights held by the Group.

As sales increase the Group may be subject to claims in relation to infringement of trademarks, patents or other proprietary rights. Adverse judgements against the Group may give rise to significant liability in monetary damages, legal fees and an inability to manufacture, market or sell products either at all or in particular territories using existing trademarks and/or particular technologies. Any litigation brought against the Group, whether or not determined in the Group's favour or settled by the Group, could result in lengthy litigation which may be costly and time consuming. Even claims without merit could deter customers and have a detrimental effect on the Group's business. Adverse judgments against the Group may give rise to significant liabilities, a requirement to redesign its products or an inability to market or sell its products in particular territories.

Further there is no assurance that others have not developed or will not develop similar services incorporating similar intellectual property, duplicate any of the Group's services or infringe any of the Group's copyrights or other intellectual property rights.

The Group to some extent relies upon un-patented trade secrets to protect its proprietary technology. No assurance can be given that others will not independently develop or otherwise acquire substantial equivalent

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techniques or otherwise gain access to the Group's un-patented proprietary technology or disclose such technology or that the Group can ultimately protect meaningful rights to such un-patented proprietary technology.

Foreign Exchange Risk

The Group intends to generate revenues in various currencies including pounds sterling, euros and US dollars while it prepares its financial statements in pounds sterling. The Group may therefore be subject to foreign exchange risk which may arise as a result of the Group having operations located in various parts of the world, as revenue and costs generated by international operations will be impacted by foreign exchange rates. Fluctuations in exchange rates between currencies in which the Group operates may cause fluctuations in the Group's financial results and cash flows which are not necessarily related to the Group's underlying operations.

General risks

Taxation

Any change in the Group's tax status or in taxation legislation could affect the Group's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Statements in this document concerning the taxation of holders of Ordinary Shares are based on current UK tax law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

Volatility of Ordinary Share price

The Placing Price may not be indicative of the market price for the Ordinary Shares following Admission.

The subsequent market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this Part II, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares (or the perception that such sales may occur, as, for example in the period leading up to the expiration of the various lock-in agreements to which certain Shareholders are subject), legislative changes and market, economic, political or regulatory conditions.

Liquidity of Ordinary Shares

Admission to trading on AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

The Ordinary Shares will not be admitted to the Official List

Ordinary Shares will be traded on AIM and will not be admitted to the Official List or admitted to trading on the London Stock Exchange's main market for listed securities. The rules of AIM are less demanding than those of the Official List and an investment in Ordinary Shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in Ordinary Shares on AIM may have limited liquidity, making it more difficult for an investor to realise its investment than might be the case in respect of an investment in shares which are quoted on the London Stock Exchange's main market for listed securities. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than the market prices of shares quoted on the London Stock Exchange's main market for listed securities and may not reflect the underlying value of the net assets of the Group. For these and other reasons, investors may not be able to sell at a price which permits them to recover their original investment.

Legislation and Compliance

This document has been prepared on the basis of current legislation, rules and practice and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change.

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Additional capital and dilution

If the Group fails to generate sufficient revenue, then it may need to raise additional capital in the future, whether from equity or debt sources, to fund expansion and development. If the Group is unable to obtain this financing on terms acceptable to it, then it may be forced to curtail its planned strategic development. If additional funds are raised through the issue of new equity or equity-linked securities of the Group other than on the basis of a pro rata offer to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Placing Price.

Dividends

There can be no assurance that the Company will declare dividends or as to the level of any dividends. The approval of the declaration and amount of any dividends of the Company is subject to the discretion of the directors of the Company (and, in the case of any final dividend, the discretion of the Shareholders) at the relevant time and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of distributable profits, as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

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

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HISTORICAL FINANCIAL INFORMATION ON THE GROUP

Section A – Accountant’s Report

The Directors
The People’s Operator plc
40 Underwood Street
London
N1 7JQ
finnCap Ltd
60 New Broad Street
London
EC2M 1JJ
28 November 2014

Dear Sirs

The People’s Operator plc (the “Company”)

Historical financial information for The People’s Operator Holdings Limited (“TPOH”) for the period from incorporation (6 March 2012) to 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014

Introduction

We report on the financial information set out in Section B of Part III of this document. This financial information has been prepared for inclusion in the admission document dated 28 November 2014 of The People’s Operator plc (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph/item and for no other purpose. We have not audited or reviewed the financial information for the six months ended 30 June 2013 which has been included for comparative purposes only and accordingly we do not express an opinion thereon.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you. Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the BDO LLP

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London
W1U 7EU
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amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of TPOH as at 31 December 2012, 31 December 2013 and 30 June 2014 and of its results, cash flows, and changes in equity for the period ended 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014 in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

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

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

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Section B – Historical Financial Information

Consolidated statements of comprehensive income

Period

Year

Six months Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Notes

Audited

Audited

Unaudited

Audited

£

£

£

£

Revenue

1(c and q)

456

62,277

10,098

131,538

Cost of sales

(126,762)

(181,625)

(59,875)

(287,268)

Gross loss

(126,306)
(119,348)
(49,777)
(155,730)
Administrative expenses
(430,947) (1,368,071)
(705,399)
(413,866)

Operating loss

3
(557,253) (1,487,419)
(755,176)
(569,596)
Finance income

—
—
—
—

Finance cost

5
(8,978)
(54,067)
(21,436)
(41,805)

Loss before taxation

(566,231) (1,541,486)
(776,612)
(611,401)

Taxation

4
—
—
—
—

**Loss for the period and total
comprehensive loss**

(566,231) (1,541,486)
(776,612)
(611,401)

Total comprehensive loss attributable to:

Owners of the parent
(566,231) (1,161,446)
(582,459)
(462,356)
Non-controlling interest
—
(380,040)
(194,153)
(149,045)

Loss for the period and total comprehensive loss

(566,231) (1,541,486)
(776,612)
(611,401)

Loss per share attributable to shareholders of the parent (£)

18
(0.28)
(0.58)
(0.29)
(0.21)

There were no other recognised income or expenses other than those shown above.

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Consolidated statements of financial position

At

At

At

31 December 31 December

30 June

2012

2013

2014

Notes

Audited

Audited

Audited

£

£

£

Assets

Non-current assets

Property, plant and equipment

6

6,146

5,994

8,374

Intangible assets

7

54,667

84,145

56,275

Total non-current assets

60,813

90,139

64,649

Current assets

Trade and other receivables

9

189,046

142,008

99,236

Cash and cash equivalents

225,130

48,009

37,758

Total current assets

414,176

190,017

136,994

Total assets

474,989

280,156

201,643

Equity and liabilities

Current liabilities

Trade and other payables

10

65,841

150,166

187,567

Other taxes and social security

71,201

62,194

31,309

Total current liabilities

137,042

212,360

218,876

Non-current liabilities

Other payables – loans

11

903,978

2,175,313

2,701,663

Total non-current liabilities

903,978

2,175,313

2,701,663

Equity

Share capital

12

200

200

222

Retained earnings

13

(566,231)

(1,727,677) (2,190,033)

Non-controlling interest

–

(380,040)

(529,085)

Total equity

(566,031)

(2,107,517) (2,718,896)

Total equity and liabilities

474,989

280,156

201,643

Increase in trade and other payables

137,042

75,317

43,847

6,516

Net cash flows from operating activities

(580,388) (1,307,442)

(684,995)

(491,497)

Investing activities

Purchases of property, plant and equipment

(7,682)

(1,731)

(2,322)

(3,321)

Purchase of intangibles

(82,000)

(85,217)

(80,917)

Net cash used in investing activities

(89,682)

(86,948)

(83,239)

(3,321)

Financing activities

Issue of ordinary shares

200

22

Loan from related party

895,000

1,217,269

577,268

484,545

Net cash from financing activities

895,200

1,217,269

577,268

484,567

Net increase/(decrease) in cash and cash equivalents

225,130
(177,121)
(190,966)
(10,251)
Cash and cash equivalents brought forward
—
225,130
225,130
48,009

Cash and cash equivalents carried forward

225,130
48,009
34,164
37,758

33

Consolidated statements of changes in equity

*Total loss
attributable
to non-
Called up
Retained
controlling
share capital
earnings
interest
Total equity*

£
£
£
£

At 6 March 2012

—
—
—
—

Issue of share capital
200

—
—

200
Comprehensive loss for the period

—
(566,231)

—
(566,231)

At 31 December 2012 (audited)

200
(566,231)

—
(566,031)
Comprehensive loss for the year

—
(1,161,446)
(380,040) (1,541,486)

At 31 December 2013 (audited)

200
(1,727,677)
(380,040) (2,107,517)

Comprehensive loss for the six months

—
(462,356)
(149,045)
(611,401)

Issue of shares

22

—

—

22

At 30 June 2014 (audited)

222
(2,190,033)
(529,085) (2,718,896)

Share capital is the amount subscribed for shares at nominal value (note 12).

Retained earnings represent the cumulative loss of the company.

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(a) Basis of preparation

This historical financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations, as adopted by the EU (‘adopted IFRSs’) and has also applied IFRSs as issued by the International Accounting Standards Board (“IASB”) and in accordance with the Companies Act 2006.

This historical financial information has been prepared under the historical cost convention as modified for certain financial instruments, which are stated at fair value.

The Group’s historical financial information is presented in Sterling.

Going concern

In order to determine if the company has the financial resources to continue as a going concern for the foreseeable future, comprising a period extending at least 12 months from the date of Admission, the directors have considered the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group, and the repayment terms in respect of the Group’s borrowings. The directors have concluded that, if the raising of funds as detailed in Part I of this document does not occur, there would be a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern, due to its reliance on achieving an adequate level of sales in order to maintain sufficient working capital to support its activities and/or sourcing sufficient additional funds from third parties to fund trading losses during the initial growth phase of the business. However the directors are of the view that the successful raising of funds as detailed in Part I of this document would remove these uncertainties. Accordingly the directors have adopted the going concern basis in preparing the historical financial information. This historical financial information does not include the adjustments that would be required if the Group was unable to continue as a going concern.

(b) Changes in accounting policies

New standards, interpretations and amendments not yet effective.

The following accounting standards were in issue at 30 June 2014 but will be effective for accounting periods beginning after 1 January 2014. They are not expected to have a material effect on the Group’s financial information.

–

IAS 16 Property, Plant and Equipments (clarification of acceptable methods of depreciation amendments to IAS 16) (effective for accounting periods beginning on or after 1 January 2016).

–

IAS 38 Intangible Assets (clarification of acceptable methods of amortisation amendments to IAS 38) (effective for accounting periods beginning on or after 1 January 2016).

–

IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2017).

–

IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018).

(c) Revenue

Revenue, which excludes value added tax and other sales taxes, comprises the value of services provided and other revenue.

Mobile telecommunications service revenue includes the sale of mobile network usage revenue earned for usage of the Group’s wireless network for voice data transmission by the Group’s customers, subscription fees, inbound roaming, outbound roaming and interconnect revenue. Post-pay customers are billed in advance for their monthly subscription fees and in arrears for call and other charges. Revenue is recognised when the service is rendered with the deferred revenue recognised on the statement of financial position to the extent of the services paid but not used. Revenue not yet billed is accrued and recognised on the consolidated statement of financial position. Revenue for pre-pay customers is recorded as deferred revenue

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prior to commencement of services and is recognised as the pre-pay services are rendered. Subscription fees are recognised evenly throughout the periods to which they relate.

Promotional offers and packages including different elements are assessed to determine whether it is necessary to separate out each component and apply a revenue recognition policy to each element. Total

revenue is split among the identified elements based on their respective fair values.

Revenue is recognised on a gross basis where the Group's role is that of principal in a transaction. The gross basis represents the gross value of the billing to the customer after trade discounts, with any related costs being charged to operating expenses. Where the Group acts as agent in a transaction, the net revenue earned is recognised as revenue.

Subscription fee revenue is deferred to the extent it relates to unused minutes received by customers in a monthly bundle until such minutes are utilised or expire.

(d) Basis of consolidation

The consolidated historical financial information includes the financial information of The People's Operator Holdings Limited and the entity it controls (its subsidiary) for the period reported.

For the purposes of preparing this historical financial information, subsidiaries are those entities controlled by the Group. Control exists when three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of controls. The financial information of subsidiaries, which are prepared for the same reporting period are included in the consolidated financial information from the date that control commences until the date the control ceases. All intra-Group balances, income and expenses and unrealised gains and losses resulting from the intra-Group transactions are eliminated in full. Accounting policies of subsidiary entities are consistent with the Group accounting policies disclosed here.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that is not held by the Group and is presented separately within equity in the consolidated balance sheet separate from parent shareholders' equity.

This historical financial information incorporates the results of the business combinations using the acquisition method. In the statements of financial position, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statements of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

(e) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests where events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs").

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

(f) Financial assets

The Group classifies its financial assets as loans and receivables, the Group has not classified any of its financial assets as held to maturity, available for sale or at fair value through the statement of comprehensive income.

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Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised costs using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part or the counterpart or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with

the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

(g) Financial liabilities

Related party borrowings are initially recognised at fair value net of any transactions costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance sheet of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transactions costs and any premium payable on redemption as well as any interest or coupon payable when the liability is outstanding.

(h) Share capital and reserves

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

Retained earnings represent the cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

(i) Defined contribution schemes

Contributions to defined contribution schemes are charges to the consolidated statement of comprehensive income in the period to which they relate.

(j) Intangibles

Domain: The Group owns domain names which are shown as intangible assets and amortised over a period of three years subject to annual impairment test.

Website development costs are capitalised and measured at the cost incurred to acquire and bring the asset into use. These costs are amortised on a straight line basis over their estimated useful life of 3 years.

The capitalised costs mainly relate to qualifying development and graphic design costs.

(k) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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Depreciation is provided on property, plant and equipment from the date they are brought into use over their estimated useful life on a straight-line basis. The estimated useful lives assigned to property, plant and equipment are:

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Computers and office equipment

5 years

The assets' useful life and residual values are reviewed, and adjusted if appropriate, at each statement of financial position date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. This obligation may be legal or constructive deriving from regulations, contracts, normal practices or public commitments that lead third parties to reasonably expect that the

Group will assume certain responsibilities. The amount of the provision is determined based on the best estimate of the outflow of resources required to settle the obligation, taking into account all available information.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

No provision is recognised if the amount of liability cannot be estimated reliably. In this case, the relevant information is disclosed in the notes to this historical financial information.

Given the uncertainties inherent in the estimates used to determine the amount of provision, actual outflows of resources may differ from the amounts recognised originally on the basis of the estimates.

(m) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(n) Subscriber acquisition and retention costs

Subscriber acquisition and retention costs, other than loyalty programme costs, are recognised as an expense for the period in which they are incurred. Advertising, promotion, sponsoring, communication and brand marketing costs are also expense as incurred.

(o) Critical accounting estimates and judgements

The preparation of financial information in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. A significant change in the facts and circumstances on which these estimates are based could have a material negative impact on the Group's earnings and financial position. The areas involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the financial information are discussed below.

The directors consider the main accounting estimate as depreciation and amortisation of assets. These estimates are considered under note 1(j) and 1(k).

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(p) Lease obligations

Finance leases

Lease arrangements that transfer substantially all the risks and rewards of ownership to the lessee are treated as finance leases. Assets held under finance leases are capitalised either within investment properties or property, plant and equipment, depending on the nature of the asset. Finance leases included within property, plant and equipment, depreciated over the shorter of the lease term and the useful life of the asset. A liability is recognised at the present value of the minimum lease payments within current and/or non-current liabilities as appropriate.

Rental payments are apportioned between capital and interest expense to achieve a constant rate of interest charge on the outstanding obligation.

Operating leases

When the Group acts as a lessee in an operating lease agreement, the lease payments are charged as an expense to the income statement on a straight line basis over the release term. Lease incentives received are also recognised on a straight line basis over the period of the lease.

(q) Segmental information

The Group's revenue is from activities wholly undertaken in the United Kingdom.

(r) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(s) Taxation

Current taxes are based on the results shown in the financial information and are calculated according to local tax rules using tax rates enacted or substantially enacted by the balance sheet date.

There are no provisions for corporation tax due to losses incurred during the periods.

(t) Deferred tax

Deferred tax is calculated on the comprehensive basis using the liability method which requires provision

for temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Tax rates enacted at the balance sheet date are used to determine the deferred tax balances. Deferred tax assets are not recognised as it is not probable that future taxable profit will be available against which the asset can be utilised.

2. Financial instruments – risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Fair value or cash flow interest rate risk
- capital risk management

In common with all other business, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this historical financial information.

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(a) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Floating rate loans

(b) Financial instruments by category

Financial assets

Loans and receivables

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

Cash and cash equivalents

225,130

48,009

37,758

Trade and other receivables

189,046

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Credit risk

Credit risk is the risk that the Group will suffer financial loss as a result of counterparties defaulting on their contractual obligations. The risk arises on cash and cash equivalents, trade and other receivables.

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The Company's credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

For trade and other receivables an assessment of credit quality is made as part of the Group's customer acceptance procedures using a combination of external rating agencies, past experience and other factors. In circumstances where credit information is unavailable or the customer is assessed as higher risk, the risk is mitigated by the use of modified payment terms, customer deposits, parent and other guarantees.

Exposure and payment performance is monitored closely at an individual customer level, with a series of escalating debt recovery actions taken where necessary.

There were no overdue receivables at 31 December 2012, 31 December 2013 or at 30 June 2014.

Liquidity risk

The Group funds its activities through cash generated from its operations and where necessary, loan from shareholder. Cash flow forecasts covering various periods from short to long term are prepared and reviewed on a regular basis to ensure that sufficient funds are available to meet the Group's commitments as they fall due.

The Group is subject to variable interest rates on its borrowing from a shareholder. Details are provided under note 16.

The following tables detail the Group's remaining financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

At 31 December 2012

At 31 December 2013

At 30 June 2014

Within

Over

Within

Over

Within

Over

3 months

1 year

3 months

1 year

3 months

1 year

Audited

Audited

Audited

Audited

Audited

Audited

£

£

£

£

£

£

Trade payables

ended
ended
31 December 31 December
30 June
30 June
2012
2013
2013
2014
Audited
Audited
Unaudited
Audited

£
£
£
£

Depreciation of property, plant and equipment

1,536
1,883
738
941

Amortisation of intangible assets

27,333
55,739
13,667
27,870

Auditors remuneration:

Accounts

500
2,500
—
2,500
Tax
500
2,500

—
2,500

Audit
4,000
35,000

—
10,000

33,869
97,622
14,405
43,811

4. Income tax

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2012, the year ended 31 December 2013 or the six months ended 30 June 2014.

Factors affecting the tax expense

Period

Year

Six months Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Audited

Audited

Unaudited

Audited

£

£

£

£

Loss on ordinary activities before income tax

(566,231) (1,541,486)

(776,612)

(611,401)

Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK

of 20%

(113,246)

(308,297)

(155,322)

(122,280)

Effects of:

Net disallowable expenditure

5,774

11,524

2,881

5,762

Losses available to carry forward

107,472

296,773

152,441

116,518

Tax expense

—
—
—
—

The following potential deferred tax assets have not been recognised as there is uncertainty of the timing of future profits that will arise in future accounting periods of which these losses could be offset against. The losses are available for use against profit from the same trade.

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

Cumulative tax losses to date (approximate)

562,000

1,702,000

2,142,000

Potential deferred tax asset (approximate)

112,000

340,000

428,000

42

5. Finance cost

Period

Year

Six months Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Audited

Audited

Unaudited

Audited

£

£

£

£

Loan interest (note 16)

8,978

54,067

21,436

41,350

Bank interest

—

—

—

455

8,978

54,067

21,436

41,805

6. Property, plant and equipment

Computer

equipment

Total

Audited

Audited

£

£

Cost or valuation

At 6 March 2012

—

—

Additions in the period

7,682

7,682

At 31 December 2012

7,682

7,682

Additions in the year

1,731

1,731

At 31 December 2013

9,413

9,413

Additions in the six months

3,321

3,321

At 30 June 2014

12,734

12,734

Accumulated depreciation and impairment

At 6 March 2012

—

—

Charge for the period

1,536

1,536

At 31 December 2012

1,536

1,536

Charge for the year

1,883

1,883

At 31 December 2013

3,419

3,419

Charge for the six months

941

941

At 30 June 2014

4,360

4,360

NBV

At 31 December 2012

6,146

6,146

At 31 December 2013

5,994

5,994

At 30 June 2014

8,374

8,374

7. Intangible assets*Website**development**Domain**costs**Total**Audited**Audited**Audited*

£

£

£

Cost

At 6 March 2012

—

—

—

Additions in the period

4,000

78,000

82,000

At 31 December 2012

4,000

78,000

82,000

Additions in the year

—

85,217

85,217

At 31 December 2013

4,000

163,217

167,217

Additions in the six months

—

—

—

At 30 June 2014

4,000

163,217

167,217

Amortisation

At 6 March 2012

—
—
—

Charge for the period

1,333
26,000
27,333

At 31 December 2012

1,333
26,000
27,333

Charge for the year

1,333
54,406
55,739

At 31 December 2013

2,666
80,406
83,072

Charge for the six months

667
27,203
27,870

At 30 June 2014

3,333
107,609
110,942

NBV

At 31 December 2012

2,667
52,000
54,667

At 31 December 2013

1,334
82,811
84,145

At 30 June 2014

667
55,608
56,275

The Group had no contractual commitments for development costs at 31 December 2012, 31 December 2013 or 30 June 2014.

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8. Subsidiaries

The principal subsidiary of The People's Operator Holdings Limited, which has been included in this consolidated historical financial information, is as follows:

Non-controlling

Country of

Entitlement to

interest entitlement

incorporation

profit at

to profit at

and principal 31 December 2013

31 December 2013

place of business and at 30 June 2014 and at 30 June 2014**

The People's Operator LLP

United Kingdom

75%

25%

At 31 December 2012,

31 December 2013

and at 30 June 2014

Audited

£

Investment in The People's Operator LLP

1,000

1,000

The People's Operator LLP commenced trading on 1 January 2013 and its principal activity is the provision of mobile phone services.

* The non-controlling interest is entitled to 25 per cent. of the net profit of The People's Operator LLP after deducting 25 per cent. of any net loss brought forward from an earlier period. The non-controlling interest does not have ownership rights over the business or control of the assets of The People's Operator LLP.

No dividends were paid by the subsidiary to the non-controlling interest.

The following is the summarised financial information of the subsidiary:

Summarised statement of financial position

At

At

At

31 December 31 December

30 June

2012

2013

2014

Non-controlling interest (NCI) percentage

0%

25%

25%

Audited

Audited

Audited

£

£

£

Current assets

—

124,417

73,995

Current liabilities

—

(1,733,616) (2,253,887)

—

(1,609,199) (2,179,892)

Non-current assets

—

90,139

64,649

Non-current liabilities

—

(1,100)

(1,100)

—

89,039

63,549

Net liabilities

—

(1,520,160) (2,161,343)

Accumulated non-controlling interests

—

(380,040)

(529,085)

45

<i>Period</i>
<i>Year</i>
<i>Six months</i>
<i>Six months</i>
<i>ended</i>
<i>ended</i>
<i>ended</i>
<i>ended</i>
<i>31 December 31 December</i>
<i>30 June</i>
<i>30 June</i>
<i>2012</i>
<i>2013</i>
<i>2013</i>
<i>2014</i>
<i>Non-controlling interest (NCI) percentage</i>
<i>0%</i>
<i>25%</i>
<i>25%</i>
<i>25%</i>
<i>Audited</i>
<i>Audited</i>
<i>Unaudited</i>
<i>Audited</i>
<i>£</i>
<i>£</i>
<i>£</i>
<i>£</i>
<i>Revenue</i>
<i>—</i>
<i>62,277</i>
<i>10,098</i>
<i>131,538</i>
<i>_____</i>
<i>_____</i>
<i>_____</i>
<i>_____</i>
<i>Net loss</i>
<i>—</i>
<i>(1,520,160)</i>
<i>(776,612)</i>
<i>(596,181)</i>
<i>_____</i>
<i>_____</i>
<i>_____</i>
<i>Total comprehensive loss</i>
<i>—</i>
<i>(1,520,160)</i>
<i>(776,612)</i>
<i>(596,181)</i>
<i>_____</i>
<i>_____</i>
<i>_____</i>
<i>_____</i>
<i>_____</i>
<i>_____</i>
<i>Loss allocated to NCI</i>

—
(380,040)
(194,153)
(149,045)

—
—
—
—
—
—
—

Summarised cash flows

Period

Year

Six months

Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Non-controlling interest (NCI) percentage

0%

25%

25%

25%

Audited

Audited

Unaudited

Audited

£

£

£

£

Cash flows from operating activities

—

(1,408,521)

(752,288)

(567,370)

Cash flows from investing activities

—

(86,948)

(83,239)

(3,321)

Cash flows from financing activities

—

1,525,878

403,261

513,733

—
—

9. Trade and other receivables

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

Other receivables

173,108

95,682

66,169

Prepayments

15,938

46,326

33,067

189,046

142,008

99,236

The carrying value of trade and other receivables approximates fair value.

46

10. Trade and other payables

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£
Trade payables
65,820
77,428
91,015
Other payables
—
4,600
4,600
Other taxation and social security
71,201
62,195
31,310
Accruals
21
68,137
91,951

137,042
212,360
218,876

The carrying value of trade and other payables approximates fair value.

11. Non-current liabilities

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

Other loans from related company (note 16)

903,978

2,175,313

2,701,663

903,978

2,175,313

2,701,663

The above represents book value and fair value of loans and borrowings and is repayable after more than one year.

12. Share capital

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

200 ordinary shares of £1 each

200

200

—

2,222,223 ordinary shares of £0.0001 each

—

—

222

200

200

222

On 17 January 2014 The People's Operator Holdings Limited passed a resolution to sub-divide the ordinary shares of £1 to ordinary shares of £0.0001 each. Subsequent to passing the resolution, the company issued 222,223 shares of £0.0001 each.

47

13. Profit and loss reserves

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

Retained earnings

—

(566,231) (2,107,717)

Loss for the period

(566,231)

(1,541,486)

(611,401)

Equity

200

200

222

(566,031)

(2,107,517) (2,718,896)

Retained earnings attributable to:

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

Owners of the parent

(566,231)

(1,727,677) (2,190,033)

Non-controlling interest

—

(380,040)

(529,085)

(566,231)

(2,107,717) (2,719,118)

14. Staff costs

Period

Year

Six months
Six months
ended
ended
ended
ended
31 December 31 December

30 June
30 June
2012
2013
2013
2014

Audited
Audited
Unaudited
Audited

£
£
£
£

Wages and salaries
191,300
328,767
215,860
126,575
Social security costs
23,041
39,047
23,475
14,228
Pension costs
—
16,111
8,410
6,262

214,341
383,925
247,745
147,065

Average monthly number of employees
(excluding two designated members of
the LLP and the directors)

5
6
6
6

There was no directors' remuneration during the period under review, nor contributions to the pension scheme on behalf of the directors.

15. Control

During the period under review, the Group remained under the control of Airnet Limited, a company controlled by Andrew Rosenfeld, a director.

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16. Related party transactions

(a) Airnet Limited

The Group had loans from Airnet Limited, a company controlled by Andrew Rosenfeld, a director, as follows:

At

At

At

31 December 31 December

30 June

2012

2013

2014

Audited

Audited

Audited

£

£

£

Cumulative total loans to date (excluding interest) from
Airnet Limited

895,000

2,112,269

2,597,268

Amount due to Airnet Limited within non-current liabilities

903,978

2,175,313

2,701,663

Period

Year

Six months

Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Audited

Audited

Unaudited

Audited

£

£

£

£

Interest of 3% above base, charged on the loans from Airnet Limited

8,978

54,067

21,436

41,805

The loan from Airnet Limited is unsecured and is repayable after more than one year.

(b) Mass1

The Group incurred the following charges from Mass1, a company controlled by Mark Epstein, a director.

Period

Year

Six months

Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Audited

Audited

Unaudited

Audited

£

£

£

£

Rent

10,500

42,000

21,000

21,000

Website development costs

78,000

85,217

80,917

—

Marketing

—

27,667

13,189

5,683

Other administrative costs

—

71,092

29,000

63,000

Consultancy

—

43,200

7,500

6,000

Customer service cost

12,000

70,000

42,000

29,400

Service charge

17,190

—

—

—

Domain name cost

4,000

—

—

—

121,690

339,176

193,606

125,083

The balance outstanding was £nil at 31 December 2012, £30,236 at 31 December 2013 and £2,871 at 30 June 2014.

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(c) Director subscriptions

The following directors subscribed to The People's Operator mobile phone network and incurred the

following charges:

Period

Year

Six months

Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Audited

Audited

Unaudited

Audited

£

£

£

£

A Rosenfeld

—

14,066

25

19,121

Mass I – company controlled by M Epstein*

—

16,501

4,271

10,417

T Gutteridge

—

508

63

565

M Epstein

—

897

117

825

—

31,972

4,476

30,928

The above income has been included within the turnover of the Group.

* The charges shown as incurred by Mass1 include charges incurred on behalf of the customers of Mass1 (incurred by Mass1 acting as agent) and charges incurred by Mass1 acting as principal.

17. Group commitments

The Group had no financial or capital commitments at 31 December 2012, 31 December 2013 or 30 June 2014.

18. Loss per share

Period

Year

Six months

Six months

ended

ended

ended

ended

31 December 31 December

30 June

30 June

2012

2013

2013

2014

Audited

Audited

Unaudited

Audited

£

£

£

£

Loss used in calculating basic and diluted

loss per share

(566,231) (1,161,446)

(582,459)

(462,356)

Number of shares

Weighted average number of shares for the purpose of basic and diluted loss per share

2,000,000

2,000,000

2,000,000

2,201,523

Basic and diluted loss per share (£)

(0.28)

(0.58)

(0.29)

(0.21)

The weighted average number of shares for the purpose of basic and diluted loss per share in each of the period ended 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014 has been restated from 200 ordinary shares to reflect the share split on 17 January 2014, where the ordinary shares of £1 were sub-divided into ordinary shares of £0.0001 each.

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**PART IV
ADDITIONAL INFORMATION**

1.

Responsibility

The Company, whose registered office appears on page 5 of this document, and the Directors, whose names and functions appear on page 5 of this document, accept responsibility individually and collectively for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit everything likely to affect the import of such information.

2.

The Company and its subsidiary undertakings

2.1

The Company was incorporated on 12 June 2014 in England and Wales and registered under the Companies Act as a private company limited by shares with registered number 09083874 and with the name Newincco 1304 Limited. On 4 November 2014 the Company re-registered as a public company limited by shares pursuant to Part 7 of the Companies Act and changed its name to The People's Operator plc.

2.2

The liability of the members of the Company is limited to the amount paid up or to be paid up in their shares. The principal legislation under which the Company operates is the Companies Act.

2.3

The registered office of the Company is located at 40 Underwood Street, London N1 7JQ, United Kingdom and will remain so on Admission. The Company is domiciled in the United Kingdom.

2.4

The address and telephone number of the registered office of the Company and its principal place of business is 40 Underwood Street, London N1 7JQ, United Kingdom and +44 (0) 845 225 2505. The Group's web site is: www.thepeoplesoperator.com. The Company is domiciled in the United Kingdom.

2.5

The Company trades under the name 'The People's Operator'.

2.6

The Company's principal activity is that of a holding company. It is the ultimate parent company of the group comprising the Company and the subsidiary undertakings set out in paragraph 2.7.

2.7

As at the date of this document and on Admission the Company has the following subsidiary undertakings, all of which (unless otherwise stated) are directly or indirectly wholly owned.

Name

Country of incorporation Field of activity

Percentage held

The People's Operator

England and Wales

Holding company

100%

Holdings Limited

Airnet Limited
England and Wales
Holding company
100%

Maenetcom Limited
England and Wales
Holding company
100%

TGCom Limited
England and Wales
Holding company
100%

The People's Operator (UK) LLP England and Wales
Operator of mobile 75%²
telephony services

2.8

The registered office of each of Holdings and Airnet is located at 25 Harley Street, London W1G 9BR, United Kingdom. The registered office of The People's Operator LLP is located at Bond House, 19-20 Woodstock Street, London W1C 2AN, United Kingdom. The registered office of each of Maenetcom and TGCom is located at 90 High Holborn, London WC1V 6XX, United Kingdom.

2.9

The Company's accounting reference date is 31 December.

Annex I 1.1 and 1.2
Annex III 1.1 and
1.2

Annex I 5.1.1,
5.1.2, 5.1.3 and
5.1.4

Annex I 5.1.4
Annex III 4.2

Annex I 5.1.4

Annex I 5.1.1

Annex I 6.1.1 and

7.1

Annex I 7.2 and 25

Annex I 25.1

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² The TPO Foundation has the right to receive 25% of the profits of the LLP.

2.10 Holdings is a member of The TPO Foundation.

2.11 The auditors of the Company are Gerald Edelman of 25 Harley Street, London W1G 9BR United Kingdom, who are a member firm of the Institute of Chartered Accountants in England and Wales.

2.12 The auditors of the subsidiary undertakings of the Company for the financial year ended 31 December 2013 were Gerald Edelman of 25 Harley Street, London W1G 9BR.

2.13 The Company was inserted as a new holding company of the Group through the acquisition on 25 November 2014 by the Company of the entire issued share capitals of Airnet from Andrew Rosenfeld, Maenetcom from Mark Epstein and TGCom from Tom Gutteridge (which collectively held 2,000,000 Holdings Shares), and the acquisition of 222,223 Holdings Shares from Jimmy Wales on 26 November 2014.

2.14 On 27 November 2014, the Company adopted the Articles by a special resolution passed at a general meeting of the Company held on that day.

3.

Share capital

3.1

The following table shows the issued ordinary share capital of the Company as at the date of this document and as it will be immediately following Admission and the Placing:

Aggregate

Aggregate

Number of nominal value of

Number of nominal value of

Ordinary Shares
Ordinary Shares
Ordinary Shares
Ordinary Shares
as at the
as at the
immediately
immediately
date of this
date of this following Placing following Placing
document
document

and Admission
and Admission
Number of Ordinary
Shares issued and
fully paid up
59,067,605
£29,533.80
77,099,059
£38,549.53

3.2

At the date of incorporation, the issued share capital of the Company was £1.00, consisting of one ordinary share of £1.00, which was issued fully paid to the subscriber of the Company's Memorandum, Olswang Nominees Limited.

3.3

The following changes in the issued share capital of the Company have taken place between incorporation and the date of this document:

3.3.1 On 10 October 2014 the subscriber share was transferred from Olswang Nominees Limited to Andrew Rosenfeld.

3.3.2 On 29 October 2014:

3.3.2.1 a written resolution was passed to authorise the sub-division of the subscriber share held by Andrew Rosenfeld from one ordinary share of £1.00 into 100 ordinary shares of £0.01 each;

3.3.2.2 the Company allotted and issued:

(a) 3,374,900 ordinary shares of £0.01 each in its capital to Andrew Rosenfeld;

(b) 562,500 ordinary shares of £0.01 each in its capital to Mark Epstein;

(c) 562,500 ordinary shares of £0.01 each in its capital to Tom Gutteridge; and

(d) 500,000 ordinary shares of £0.01 each in its capital to Jimmy Wales,

each for cash at par; and

3.3.2.3 following the allotment and issue of the shares referred to at paragraph 3.3.2.2 above, a written resolution was passed to authorise the directors of the Company for the purposes of section 551 of the Companies Act to allot shares in the capital of the Company up to an aggregate nominal amount of £500, in connection with the

Annex 1 2.1 and

2.2.

Annex 1 21.1.1 (a)

to (c)

Annex 1 21.1.1(a) to

(c)

Annex 1 21.1.7

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acquisitions of the entire issued share capital of each of Airnet, Maenetcom, TGCom and the acquisition of the Holdings Shares held by Jimmy Wales as referred to in paragraphs 3.3.3 to 3.3.6 (inclusive) below (together with written resolutions to re-register the Company as a public limited company, to change the Company's name

to 'The People's Operator plc' and to adopt the Articles as referred to in paragraph 2.1 above).

3.3.3 On 25 November 2014, the Company allotted and issued 33,750 ordinary shares of £0.01 each in its capital to Andrew Rosenfeld as consideration for the acquisition by the Company of the entire issued share capital of Ainet, a company whose sole asset was a holding of 1,500,000 Holdings Shares.

3.3.4 On 25 November 2014, the Company allotted and issued 5,625 ordinary shares of £0.01 each in its capital to Mark Epstein as consideration for the acquisition by the Company of the entire issued share capital of Maenetcom, a company whose sole asset was a holding of 250,000 Holdings Shares.

3.3.5 On 25 November 2014, the Company allotted and issued 5,625 ordinary shares of £0.01 each in its capital to Tom Gutteridge as consideration for the acquisition by the Company of the entire issued share capital of TGCom, a company whose sole asset was a holding of 250,000 Holdings Shares.

3.3.6 On 26 November 2014, the Company allotted and issued 5,000 ordinary shares of £0.01 each in its capital to Jimmy Wales as consideration for the acquisition by the Company of 222,223 Holdings Shares.

3.3.7 On 27 November 2014, resolutions were passed at a general meeting of the Company to:

3.3.7.1 sub-divide the entire issued share capital of the Company into 59,067,605 Ordinary Shares and 41,932,395 deferred shares of £0.0005 each;

3.3.7.2 authorise the Directors, in accordance with section 551 of the Companies Act, to allot shares or grant rights to subscribe for, or to convert any security into shares in the Company:

(i) up to an aggregate nominal amount of £7,692.31 in connection with the Placing;

(ii) up to an aggregate nominal amount of £1,235.43 in connection with the Conversion Shares;

(iii) up to an aggregate nominal amount of £88 in connection with the NED Fee Shares; and

(iv) up to £1,329.03 in connection with the proposed granting of rights to subscribe for Ordinary Shares pursuant to the terms of the Warrant Agreement between Jimmy Wales and the Company (further details of which are outlined at paragraph 3.6 below); and

(v) otherwise than pursuant to paragraphs 3.3.7.2 (i) to (iv), up to £12,849.85 (being approximately one third of the Enlarged Share Capital),

provided that this authority will expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company following the passing of the resolution, or if earlier,

31 December 2015, save that the Directors may, before the expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into shares, after such expiry and the Directors may allot shares, options or grant other rights to subscribe for shares or convert any security into shares pursuant to such offer or agreement as if the authority had not expired;

3.3.7.3 authorise the Directors, in accordance with section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act:

(i) pursuant to the authority conferred by the resolutions, details of which are set out in paragraph 3.3.7.2 (i) to (iv) above;

(ii) in respect of rights issues or other fully pre-emptive offers made to shareholders;

and

Annex III 9.1 and 9

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(iii) otherwise up to an aggregate nominal amount of £3,854.93 (representing approximately ten per cent. of the Company's Enlarged Share Capital) as if section 561 of the Companies Act did not apply to the allotment provided that

such power will expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company following the passing of this resolution, or if earlier, 31 December 2015, save that the Directors may, before the expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the authority had not expired; and

3.3.7.4 authorise the Company to make market purchases of up to 14.9 per cent. of the Enlarged Share Capital provided that this authority will expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company following the passing of the resolution or, if earlier 31 December 2015.

3.4

Other than in relation to the ordinary shares of £0.01 each in the capital of the Company allotted and issued to each of Andrew Rosenfeld, Mark Epstein and Tom Gutteridge for the sale of their shares in Airnet, Maenetcom, TGCom respectively and to Jimmy Wales for the sale of his Holdings Shares to the Company, (each as described in paragraphs 3.3.3 to 3.3.6 (inclusive) above), as at the date of this document none of the capital of the Company has been paid for with assets other than cash.

3.5

Andrew Rosenfeld has entered into an agreement with the Company dated 27 November 2014 pursuant to which £3,212,108.50 owed by the Company to him will be applied by him by way of subscription, at the Placing Price, for 2,470,852 New Ordinary Shares.

3.6

In accordance with the terms of an agreement dated 27 November 2014 between the Company and Jimmy Wales, the Company has granted a warrant to Jimmy Wales to subscribe for Ordinary Shares on the following principal terms:

3.6.1 the warrant is over such number of Ordinary Shares as are equal, at the market price of an Ordinary Share when the warrant is exercised, to an amount equal to the rise in aggregate market value at the time of exercise of the warrant of 2,658,042 Ordinary Shares above the aggregate Placing Price of those shares;

3.6.2 the price payable by Jimmy Wales on exercise of the warrant is an amount equal to the par value of each Ordinary Share to be acquired on exercise of the warrant;

3.6.3 the warrant is exercisable at any time following Admission and, if not exercised, will lapse on the earlier of:

3.6.3.1 the twentieth anniversary of the date of the warrant agreement; and

3.6.3.2 the date on which a third party acquires control of the Company; and

3.6.4 Jimmy Wales will indemnify the Company in respect of any income tax (PAYE) and employee's National Insurance contributions arising pursuant to the exercise of the warrant.

3.7

15,384,616 New Ordinary Shares are to be allotted and issued pursuant to the Placing, 2,470,852 New Ordinary Shares are to be allotted and issued pursuant to the Conversion and 175,806 New Ordinary Shares are to be allotted and issued to the non-executive Directors as NED Fee Shares in respect of fees due to them. It is expected that the New Ordinary Shares will be allotted on 3 December 2014, conditional only on Admission taking place, and issued on Admission, which is expected to occur on 4 December 2014.

3.8

On 27 November 2014, the Board approved, conditional on Admission:

3.8.1 the allotment and issue of the Placing Shares pursuant to the terms of the Placing Agreement;

3.8.2 the allotment and issue of the Conversion Shares to Andrew Rosenfeld; and

3.8.3 the allotment and issue of the NED Fee Shares to the non-executive Directors.

Annex I 21.1.1(d),2
Annex III 4.1, 4.2,
4.4, 4.7

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3.9

The holders of Existing Ordinary Shares will be diluted by the issue of the New Ordinary Shares. The effective dilution rate, not taking into account existing holders participating in the Placing and the Conversion Shares, is 23.3 per cent.

3.10 The Ordinary Shares are denominated in Sterling. The legislation under which the Ordinary Shares have been created is the Companies Act and regulations made under the Companies Act.

3.11 The New Ordinary Shares will be in registered form. They will be capable of being held in certificated form or in uncertificated form and traded on CREST. The records in respect of Ordinary Shares held in uncertificated form will be maintained by the Registrar.

3.12 The New Ordinary Shares (including the Placing Shares) will rank *pari passu* in all respects with the Existing Ordinary Shares including (without limitation to the generality of the foregoing) in relation to voting rights and the right to receive all dividends or other distributions declared, paid or made after Admission.

3.13 There have been no public takeover bids by third parties for all or any part of the Company's equity share capital during the last financial year of the Company or the period up to and including the date immediately prior to the date of this document.

3.14 There is no class of shares in issue other than Ordinary Shares and no Ordinary Shares have been issued other than as fully paid.

3.15 The Ordinary Shares are freely transferable provided that they are fully paid.

3.16 The Company has not issued or granted any options, warrants, exchangeable securities, securities with warrants or any convertible securities of the Company, save as set out in this Part IV.

3.17 Save as described in this Part IV:

3.17.1 the Company does not have in issue any securities not representing share capital nor are there any outstanding convertible securities with warrants in the Company; and

3.17.2 no share capital of the Company is under option or has been granted conditionally or unconditionally to be put under option.

3.18 Save as set out in this document:

3.18.1 no loan capital of the Company has been issued or is proposed to be issued;

3.18.2 there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;

3.18.3 no person has any preferential subscription rights for any share capital of the Company;

3.18.4 none of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission;

3.18.5 no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company; and

3.18.6 there is no other undertaking to increase capital.

3.19 The Company has unrestricted corporate capacity and can borrow, guarantee and give security.

3.20 The Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility nor has any application for such admission been made and it is not intended to make such arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with the Admission.

Annex III 4.10

Annex III 4.3

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4.

Articles of Association

The Articles, which were adopted by the written resolution referred to in paragraph 2.14 above, contain, *inter alia*, provisions to the following effect:

4.1

Objects

The Articles contain no specific restrictions on the Company's objects and therefore, by virtue of section 31(1) of the Companies Act the Company's objects are unrestricted.

4.2

Voting Rights

Subject to paragraph 4.7 below, and to any special rights or restrictions attached to any share, on a vote on a resolution (whether on a show of hands or on a poll) every member who, being an individual, is present in person or by proxy or, being a corporate member, is present by a duly appointed representative, shall have one vote for every ordinary share in the capital of the Company held by him, except that on a vote on a resolution on a show of hands at a meeting a proxy has one vote for and one vote against the resolution if the proxy has been duly appointed by more than one member entitled to vote on the resolution and the proxy has been instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more other of those members and wishes to use that discretion to vote in the other way. A proxy need not be a member of the Company.

4.3

Variation of rights

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of share may be varied or abrogated with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any treasury shares) or with the authority of a special resolution passed at a separate general meeting of the holders of the shares of that class. The quorum at any such meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class (excluding any treasury shares).

4.4

Alteration of capital

The Company may, subject to the Companies Act, increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a small nominal value and cancel any shares not taken, or agreed to be taken, by any person. The Company, subject to the Companies Act, may reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the Companies Act, the Company may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

4.5

Transfer of shares

A member may transfer all or any of his shares (1) in the case of certificated shares by instrument in writing in any usual or common form, or in any form approved by the Directors and (2) in the case of uncertificated shares, through CREST in accordance with and subject to the CREST Regulations and the facilities and requirements of the relevant system concerned. The instrument of transfer of a certificated share shall be executed by or on behalf of, the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The Directors may refuse to register any transfer of a certificated share which is not a fully paid share provided that in the case of any class of shares which is admitted to trading on AIM the refusal could not prevent the shares from continuing to be admitted to trading on AIM. The operator of the relevant system may also refuse to register any transfer of an uncertificated share in the circumstances set out in the Regulations. The Directors may also refuse to register a transfer of the shares if the transfer is in favour of more than four persons jointly. Subject to that and to paragraph 4.7 below, the Articles contain no restrictions on the free transferability of

Annex III 4.8
Annex I 21.2.3
Annex III 4.5
Annex III 21.2.4
Annex I 21.2.1
Annex I 21.2

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fully paid shares provided that the transfer is in respect of only one class of share, (except where the shares are registered in the name of a market nominee and no certificate has been issued for them) is accompanied by the relevant share certificate and any other evidence of title required by the

directors of the Company and that the provisions in the Articles relating to the deposit of instruments for transfer has been complied with.

4.6

Dividends

The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of the members, and may fix the time for payment of such dividends, but no dividend shall exceed the amount recommended by the Directors. The Directors may pay interim dividends (including any dividend payable at a fixed rate) if it appears to the Directors that they are justified by the financial position of the Company.

Subject to the rights attached to, or the terms of issue of, any share, and subject to paragraph 4.7 below, all dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid (provided that, no amount paid on a share in advance of calls shall be treated as paid on that share).

The Directors may, with the authority of an ordinary resolution of the Company, offer any holders of any particular class of shares (excluding the Company as holder of treasury shares) the right to elect to receive further shares (whether or not of that class), credited as fully paid instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution. The Directors may decide that the right of election shall not be made available to any members with registered addresses in any territory where, in the opinion of the Directors, this would be unlawful or compliance with local laws or regulations would be unduly onerous.

Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and shall cease to remain owing by the Company.

4.7

Suspension of rights

If the holder of, or any other person appearing to be interested in, any share has been given notice under section 793 of the Companies Act and that holder or other such person has, at the end of the period of 14 days from service of that notice (or such longer period as may be specified by the Company), failed to give the Company the information required by that notice in relation to that share or made a statement which is false or inadequate in any material particular in relation to that share, such member shall not be entitled to vote at any general meeting or at any separate meeting of the holders of that class of shares or to exercise any other right conferred by membership in relation to general meetings in respect of the shares which are the subject of such notice. Where the interest represents 0.25 per cent. or more in nominal value of the issued shares of their class (excluding any treasury shares), the payment of dividends may be withheld, and no transfer of any shares held by the member shall be registered except as provided for in the Articles.

4.8

Return of capital

If the Company is being wound up the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act, divide among the members in specie the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how such division shall be carried out as between the members or different classes of members. The liquidator may also vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit but so that no member shall be compelled to accept any assets in respect of which there is any liability.

4.9

Pre-emption rights

There are no rights of pre-emption under the Articles in respect of transfers of issued shares. In certain circumstances, the Company's members may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing members on a pro rata basis

Annex I, 20.7

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before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's members.

4.10 *Shareholder meetings*

Annual general meetings should be held within the time periods specified by the Companies Act. Other general meetings may be convened by the board whenever it thinks fit or when one has been requisitioned in accordance with the Companies Act or the Articles. The quorum requirements in section 318 of the Companies Act shall apply to the Company, except that a person shall not count as a "qualifying person" for this purpose unless (in addition to satisfying the requirements of the Companies Act) he is entitled to vote on the business to be transacted at the meeting.

Save as permitted or required by the Companies Act, an annual general meeting shall be called by notice of at least 21 days, exclusive of the day on which the notice is served or deemed to be served and the day on which the meeting is to be held. In the case of any other general meeting, at least 14 days notice shall be given, exclusive of the day on which the notice is served or deemed to be served and the day on which the meeting is to be held. A general meeting may be called on shorter notice providing all members entitled to attend and vote agree and a general meeting can be called on shorter notice if a majority in number of the members having a right to attend and vote at the general meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, consent.

Every notice calling a meeting of the Company must state the time and date of the meeting and the place of that meeting including identification of the principal venue, and any other place at which the meeting is to be held in accordance with the Articles. The notice shall also include details of any arrangements, for persons entitled to attend a general meeting, to be able to view and hear the proceedings of, and to speak at, that meeting from a location which is not classified as a meeting place (making clear that participation in these arrangements will not amount to attendance at the meeting to which the notice relates). The Directors may also make such arrangements for limiting the level of attendance at any general meeting or alternative viewing location but such arrangements must allow any members and proxies excluded from attendance at the principal venue to attend at one of the other venues.

4.11 *Directors*

A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying the terms of appointment), or the termination of his own appointment, as a Director of, or the holder of any other office or place of profit with, the Company or any undertaking in which the Company is interested. However, where proposals for such resolutions relate to two or more Directors, those proposals may be divided and a resolution may be put in relation to each Director separately and in such case each of the Directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning him.

Save as otherwise provided in the Articles, a Director shall not vote (or be counted in the quorum) in respect of any transaction or arrangement or any other proposal in which he (or any person connected with him) has an interest which may reasonably be regarded as likely to give rise to a conflict of interest and, if he purports to do so, his vote shall not be counted.

The Directors may, to the fullest extent permitted by law in accordance with the Articles, authorise a director to be involved in any matter which would otherwise constitute or give rise to a breach by such Director of his duty under the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as Director).

A Director shall (unless otherwise prohibited under the Articles) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

Annex I 21.2.2
Annex I, 21.2.5

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Company;

4.11.2 the giving of any guarantee, security or indemnity in respect of:

4.11.2.1 money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or

4.11.2.2 a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

4.11.3 any arrangement, transaction or proposal concerning the issue or offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;

4.11.4 any transaction, arrangement or proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him) does not hold an interest representing one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company;

4.11.5 any transaction or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the transaction or arrangement relates;

4.11.6 the purchase or maintenance of insurance either for or for the benefit of any Director or persons who include Directors;

4.11.7 the giving of any indemnity against liability incurred by him in connection with his duties, powers or office in relation to the Company or any of its subsidiary undertakings, where all other directors are also offered indemnities on substantially the same terms; and

4.11.8 any transaction, arrangement or proposal relating to the funding of expenditure incurred by him in defending proceedings in connection with his duties, powers or office in relation to the Company or any of its subsidiary undertakings (or enabling him to avoid incurring such expenditure), where all other Directors are also offered a transaction, arrangement or proposal on substantially the same terms.

A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration or otherwise) as the Directors may decide and may enter into any transaction or arrangement with the Company with regard to his tenure of any office or position in the management, administration or conduct of its business or as vendor, purchaser or otherwise. A Director may act by himself or by his firm in a professional capacity for the Company (except as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director. No Director shall, by reason of his holding office be liable to account to the Company for any remuneration, profit or benefit received as a result of any aforementioned permitted interest and no transaction or arrangement shall be avoided by reason of any Director having any such permitted interest.

The fees of the Directors (other than any Director who holds an executive office or employment with the Company or any subsidiary of the Company) for their services as Directors shall not exceed in aggregate £500,000 in any financial year (or such higher amount as the Company may decide to set by ordinary resolution). Subject to this limit, a Director shall be paid a fee (to accrue from day to day) at such rate as the Directors may decide.

Any Director who holds any executive office (including the office of chairman or deputy chairman, whether or not such office is held in an executive capacity) or who serves on any committee or who acts as trustee of a retirement benefits scheme or employees' share scheme or who otherwise performs services which, in the opinion of the Directors are beyond the ordinary duties of a director

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may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may decide in accordance with the Articles.

The Company will pay to any Director all proper and reasonable expenses incurred by him in attending

and returning from meetings of the board or of any committee or general meetings or otherwise in connection with the business of the Company or in the performance of his duties as a director.

4.12 **Deferred Shares**

A holder of a deferred share of £0.0005 shall, on a winding up of the Company, be entitled to receive an amount equal to the nominal value of a deferred share. A deferred share shall confer no right to participate in a dividend or to attend and vote at a general meeting of the Company.

5.

Interests of the Directors and others, major shareholders and related party transactions

5.1

Directors' interests

5.1.1 The interests of the Directors and of those persons connected with them (within the meaning of section 252 to 254 of the Companies Act), in the share capital of the Company as at the date of the document and at Admission (all of which are beneficial unless otherwise stated) are as follows:

At the date of this document

On Admission

Percentage

Number of

of Existing

Number of Percentage

Ordinary

Ordinary

Ordinary

of Enlarged

Name

Shares

Shares

Shares Share Capital

Andrew Rosenfeld

39,870,635

67.5

43,278,267

56.11

Mark Epstein

6,645,105

11.25

6,645,105

8.62

Jimmy Wales

5,906,760

10.0

5,906,760

7.66

Matt Lea

—

—

—

—

Marisa Cassoni

—

—

58,782

0.076

Gary Hughes

—

–
58,602
0.076
Christian Hernandez Gallardo
–

–
58,602
0.076
5.1.2 As at 27 November 2014 (being the most recent practicable date before the publication of this document):

5.1.2.1 the following options over Ordinary Shares had been granted pursuant to the Share Option Schemes to the following Directors for nil consideration:

*No. of
Ordinary
Shares
Exercised
Price
Director
under option
Period
(pence)*

Matt Lea
192,300
4/12/16-4/12/24
130

5.1.2.2 the Company has granted a warrant to Jimmy Wales to subscribe for Ordinary Shares on the terms set out in paragraph 3.6 of this Part IV.

5.1.3 None of the Directors have shareholders' voting rights which are different to any other holders of Ordinary Shares.

5.1.4 Except as described in paragraphs 5.1.1 and 5.1.2 above, none of the Directors, nor any person connected with them (within the meaning of section 252 and 254 of the Companies Act), has any interest in the share capital of the Company.

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Annex 1 17.2

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5.1.5 None of the Directors or persons connected with them within the meaning of section 252 and 254 of the Companies Act had a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

5.2

Directors' service contracts, letters of appointment and consultancy agreements

5.2.1 On 25 November 2014, the Company entered into a service agreement with Andrew Rosenfeld. The contract provides for Andrew Rosenfeld to act as the Executive Chairman of the Company for a nominal salary. Andrew Rosenfeld commenced in that office on the date of the agreement and, accordingly, has served in that office for four days. The contract has no fixed term and is terminable by 12 months' notice in writing by either party. Under the contract, Andrew Rosenfeld is entitled to 25 paid working days' holiday each year in addition to public and bank holidays for England and Wales and to the benefit of private health insurance for both himself and his family. Andrew Rosenfeld is subject to non-competition and non-deal covenants (in relation to suppliers and employees) for a period of 9 months following termination of his employment, to non-solicitation covenants (in relation to introducers, suppliers, key suppliers and employees) for a period of 12 months following termination of his employment and to a confidentiality undertaking that is without limit in time.

5.2.2 On 25 November 2014, the Company entered into a service agreement with Mark Epstein on

terms identical in all material respects to those of Andrew Rosenfeld set out in paragraph 5.2.1 of this Part IV, save that Mark Epstein was appointed as the Chief Executive Officer of the Company on a salary of £250,000 per annum. Mark Epstein commenced in that office on the date of the agreement and, accordingly, has served in that office for four days.

5.2.3 On 25 November 2014, the Company entered into a service agreement with Jimmy Wales on terms identical in all material respects to those of Andrew Rosenfeld set out in paragraph 5.2.1 of this Part IV, save that Jimmy Wales was appointed as the Head of Strategy and Digital Community of the Company on a salary of £250,000 per annum. Jimmy Wales commenced in that office on the date of the agreement and, accordingly, has served in that office for four days.

5.2.4 On 25 November 2014, the Company entered into a service agreement with Matt Lea on terms identical in all material respects to those of Andrew Rosenfeld set out in paragraph 5.2.1 of this Part IV, save that Matt Lea was appointed as the Finance Director of the Company on a salary of £250,000 per annum. Matt Lea commenced in that office on the date of the agreement and, accordingly, has served in that office for four days.

5.2.5 Gary Hughes has been appointed by the Company to act as a non-executive director for a three year term terminable on three months' notice from either party. Gary Hughes is entitled to receive non-executive Director and consultancy fees, in aggregate, of £70,000 per annum. Unless he elects to receive his fees in cash, such fees will be settled by the allotment and issue to him, prior to each year of his appointment, of such number of Ordinary Shares (at the average closing, mid-market price of an Ordinary Share over a 30 day period prior to the issue of those shares) as is equal to those annual fees (after appropriate deductions). In the event that Gary Hughes' appointment is terminated prior to the expiry of its term, the Company is entitled to claw back any shares which have been issued to him in respect of any part of a year which he does not serve in office. The Company also reserves the right to pay his fees in cash. Together with his other duties, Gary Hughes is appointed to serve on each of the Company's audit, nomination and remuneration committees and to act as chairman of the Company's remuneration committee.

5.2.6 Christian Hernandez Gallardo has been appointed by the Company to act as a non-executive director on terms identical in all material respects to those of Gary Hughes set out in paragraph 5.2.5 of this Part IV. Together with his other duties, Christian Hernandez Gallardo is appointed to serve on each of the Company's audit, nomination and remuneration committees.

5.2.7 Marisa Cassoni has been appointed by the Company to act as a non-executive director on terms identical in all material respects to those of Gary Hughes set out in paragraph 5.2.5 of this Part IV. Together with her other duties, Marisa Cassoni is appointed to serve on each of the Company's audit, nomination and remuneration committees and to act as chairman of the Company's audit committee.

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16.2

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5.2.8 Save as set out above, since the Company's incorporation, there have been no service contracts entered into between any of the Directors and the Company or any member of the Group providing for benefits upon termination of employment and none are currently proposed.

5.2.9 The total aggregate remuneration (including benefits in kind, pension contributions and any contingent or deferred compensation) paid to the Directors, for services in all capacities to the Group, by all members of the Group for the financial year of the Company which ended on 31 December 2013 amounted to £1,656 and, under the arrangements in force at the date of this document, the estimated aggregate total remuneration payable to the Directors by any member of the Group for the current financial year will amount to £168,380.

5.3

Significant shareholders

5.3.1 Other than the holdings of the Directors, details of which are set out in paragraph 5.1 above, as at the date of this document the other only person who holds Ordinary Shares is Tom Gutteridge, who is the holder of 6,645,105 Ordinary Shares (representing 11.25 per cent. of

the issued ordinary share capital as at the date of this document and approximately 8.62 per cent. of the Enlarged Share Capital following Admission).

Following Admission, and otherwise as set out in paragraphs 5.1.1 and 5.3.1 above, the only Shareholder insofar as is known to the Company and the Directors who will be interested, directly or indirectly, jointly or severally, in three per cent. or more of the Enlarged Share Capital will be Aviva Investors Global Services Ltd, which will be interested in 3,076,924 Ordinary Shares (representing approximately 4 per cent. of the Enlarged Share Capital).

5.3.2 Andrew Rosenfeld may exercise control over the Company due to his having the ability to prevent the passing of extraordinary and special resolutions of the Company at general meetings of the Company and the ability to prevent the passing of, or to pass, ordinary resolutions of the Company by virtue of holding approximately 56.1 per cent of the issued share capital of the Company and the ability to control the appointment of Directors who are able to exercise a majority of the votes at meetings of the Board. Andrew Rosenfeld, the Company and finnCap have entered into a relationship deed, details of which are summarised at paragraph 7.5 of this Part IV, to ensure that such control is not abused. Save as set out in this paragraph 5.3.2, the Company is not aware of any person, who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

5.3.3 The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

5.4

Other interests

5.4.1 Over the five years preceding the date of this document, the Directors have been directors or partners of the following companies and partnerships:

During the five years

*As at the date of
preceding the date of
this document*

this document

Name of

Partnership or

Partnership or

Director

Directorship

other interest

Directorship

other interest

Andrew

The People's Operator

Rosenfeld

Holdings Limited

TPOF Limited

The TPO Foundation

Airnet Limited

Air Ventures Limited

Air Capital Asset

Management (UK)

Limited

Newincco 1158 Limited

Newincco 1159 Limited

Newincco 1160 Limited

Annex 1 18.4

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Annex 1 18.3

Annex 1 18.1

Annex 1 15.1

(partial) (carved out)

Annex 1 16.2

*During the five years
As at the date of
preceding the date of
this document*

*Name of
Partnership or
Partnership or
Director
Directorship
other interest
Directorship
other interest*
Mark Epstein
The People's Operator
Holdings Limited
Maenetcom Limited
Mass1 Ltd
Mass1 Engagement Ltd
Mass1 Netgen Ltd
Peoplegood Ltd
Political Pixel Ltd

*During the five years
As at the date of
preceding the date of
this document*

this document
Jimmy Wales
The People's Operator
Hunch, Inc.
Holdings Limited
WiKia, Inc.
Wikimedia Foundation, Inc.
Creative Commons, Inc.
Civilination, Inc.

*During the five years
As at the date of
preceding the date of
this document*

this document
Matt Lea
Lea Financial Strategy
and Analysis Limited
*During the five years
As at the date of
preceding the date of
this document*

this document
Marisa Cassoni
Jacob's Island (Providence
John Lewis Partnership
Square Blocks A, B & C)
Pensions Trust
Limited

John Lewis Partnership Plc
Skipton Group Holdings
John Lewis Plc
Limited
John Lewis
AO World Plc
Properties Plc
GFI Group, Inc
Cavendish Trustees Limited
John Lewis Car
Finance Limited
Buy.Com Limited
Herbert Parkinson Limited
John Lewis Car
Finance Limited
Jonelle Jewellery Limited
Jonelle Limited
JSL Custodian
Trustee Limited
Leckford Estate Limited
Peter Jones Limited
The Odney Estate
Limited
Partnership
Assurance Group
Limited
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*During the five years
As at the date of
preceding the date of
this document
this document
Name of
Partnership or
Partnership or
Director
Directorship
other interest
Directorship
other interest
Marisa Cassoni
Providence Square
(continued)
Abc Block Rtm
Company Limited
Providence Square
E Block Rtm
Company Limited
Providence Square
H Block Rtm
Company Limited
Providence Square
I Block Rtm*

Company Limited
Providence Square
J Block Rtm
Company Limited
Providence Square
K Block Rtm
Company Limited
Providence Tower
Rtm Company
Limited
John Lewis Pt
Holdings Limited
Waitrose Limited
John Lewis
Partnership Services
Limited
John Lewis Delivery
Limited
Waitrose Card
Services Limited
John Lewis Card
Services Limited
Hampreston Estates
Limited
John Lewis Building
Limited
John Lewis
Transport Limited
Bainbridge & Co.
Limited
Bonds (Norwich)
Limited
Cavendish Textiles
Limited
Cole Brothers
Limited
Jlp Victoria Limited
John Lewis Card
Services Limited
John Lewis
Construction Limited
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*During the five years
As at the date of
preceding the date of
this document
this document
Name of
Partnership or
Partnership or
Director
Directorship
other interest*

Directorship

other interest

Marisa Cassoni

John Lewis

(continued)

Overseas Limited

Leckford Mushrooms

Limited

Suburban &

Provincial Contracts

Limited

Suburban &

Provincial Stores

Limited

Waitrose Card

Services Limited

John Lewis

Partnership

Residential Clubs

Limited

John Lewis Trading

Limited

WSP Group Limited

Nuffield Health

Springalls Wharf RTM Company

Limited

Canal & River Trust

During the five years

As at the date of

preceding the date of

this document

this document

Gary Hughes

J Sainsbury plc

Gala Coral Group

Premier Farnell plc

Limited

Matomy Media Group plc

Smart Technologies, Inc

SECC Limited

Christian

H19 Limited eLife Sciences

Hernandez

KeyMe, Inc

Gallardo

Glow Digital Media Limited

Publications Ltd.

White Star Capital General Partner

Limited

WSC III GP Limited

5.4.2 Save as set out in paragraphs 5.4.3 and 5.4.4 below, none of the Directors has:

5.4.2.1 any unspent convictions in relation to indictable offences;

5.4.2.2 had any bankruptcy order made against him or her or entered any form of individual voluntary arrangements;

5.4.2.3 been a director of a company at the time of, or within the 12 months preceding the date of, its receivership, compulsory liquidation, creditors' voluntary liquidation,

administration, company voluntary arrangement or composition or arrangement with its creditors generally or any class of creditors;

5.4.2.4 been a partner in a partnership at the time of, or within the 12 months preceding the date of, its compulsory liquidation, administration or partnership voluntary arrangement;

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(iii)-(viii)

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5.4.2.5 owned any asset which has been placed in receivership or been a partner of any partnership at the time at which, or within the 12 months preceding the date on which, any asset of that partnership has been placed in receivership;

5.4.2.6 been subject to any public criticism by any statutory or regulatory authority (including a recognised professional body); or

5.4.2.7 been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

5.4.3 Andrew Rosenfeld ceased to be a director of Allders Limited on 22 December 2004. On 4 February 2005 Allders Limited was placed into administration. The administration was transferred to a creditors voluntary liquidation on 29 September 2006. Allders Limited was dissolved on 13 April 2014.

5.4.4 Gary Hughes ceased to be a director of Gala Coral Group Limited on 30 September 2011. The Company was placed into members voluntary liquidation on 28 June 2010 and was dissolved on 2 February 2012.

5.4.5 No Director has been interested in any transactions with the Company that was unusual in its nature or conditions or was significant to the business of the Group taken as a whole and which was effected by the Company since its incorporation and which at the date of this document remain outstanding or unperformed.

5.4.6 No loan has been granted by any member of the Group to, nor any guarantee provided for, the benefit of any Director.

5.5

Related party transactions

5.5.1 The following related party transactions are transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company or any other member of Group within the period commencing on 6 March 2012 and terminating immediately prior to the date of this document. Save as may be set out below, each of the transactions was concluded at arm's length:

5.5.1.1 as referred to in paragraph 3.3.3 of this Part IV, in accordance with the terms of a sale and purchase agreement dated 25 November 2014 between (1) the Company and (2) Andrew Rosenfeld, the Company allotted and issued 33,750 ordinary shares of £0.01 each in its capital as consideration for the acquisition by the Company of the entire issued share capital of Airmet, a company whose sole asset was a holding of 1,500,000 Holdings Shares and the benefit of certain loans made to it by Holdings;

5.5.1.2 as referred to in paragraph 3.3.4 of this Part IV, in accordance with the terms of a sale and purchase agreement dated 25 November 2014 between (1) the Company and (2) Mark Epstein, the Company allotted and issued 5,625 ordinary shares of £0.01 each in its capital as consideration for the acquisition by the Company of the entire issued share capital of Maenetcom, a company whose sole asset was a holding of 250,000 Holdings Shares;

5.5.1.3 as referred to in paragraph 3.3.5 of this Part IV, in accordance with the terms of a sale and purchase agreement dated 26 November 2014 between (1) the Company and (2) Tom Gutteridge, the Company allotted and issued 5,625 ordinary shares of £0.01 each in its capital as consideration for the acquisition by the Company of the entire issued share capital of TGCom, a company whose sole asset was a holding of 250,000 Holdings Shares;

5.5.1.4 as referred to in paragraph 3.3.6 of this Part IV, in accordance with the terms of a sale and purchase agreement dated 26 November 2014 between (1) the Company

and (2) Jimmy Wales, the Company allotted and issued 5,000 ordinary shares of £0.01 each in its capital as consideration for the acquisition by the Company by Jimmy Wales of 222,223 Holdings Shares;

5.5.1.5 as summarised in paragraph 3.6 of this Part IV, in accordance with the terms of an agreement dated 27 November 2014 between (1) the Company and (2) Jimmy

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Wales, the Company has granted an option to Jimmy Wales to subscribe, following Admission, for Ordinary Shares, at a price per share equal to its nominal value, the number of Ordinary Shares which may be subscribed for being as described in paragraph 3.6;

5.5.1.6 as summarised in paragraph 3.5 of this Part IV, Andrew Rosenfeld has agreed with the Company to subscribe for the Conversion Shares pursuant to the Conversion; and

5.5.1.7 in accordance with the terms of an agreement dated 25 November 2014 between (1) the Company and (2) Mass1 (a company controlled by Mark Epstein and Tom Gutteridge), Mass1 has provided certain services to the Company (including website development, hosting and support) and has assigned certain rights in relation to those services to the Company.

5.5.2 As at 27 November 2014 (being the most recent practicable date before the publication of this document and other than in relation to the loans made by Andrew Rosenfeld to the Company which are the subject of the Conversion) there were no outstanding loans granted by any member of the Group to any Director, nor by any Director to any member of the Group, nor was any guarantee which had been provided by any member of the Group for the benefit of any Director, or by any Director for the benefit of any member of the Group, outstanding.

5.5.3 Related party transactions formed:

5.5.3.1 £nil of the turnover of the Group in the year to 31 December 2012;

5.5.3.2 £31,972 of the turnover (or 51.3 per cent.) of the Group in the year to 31 December 2013; and

5.5.3.3 £30,928 of the turnover of the Group (or 23.5 per cent.) in the six months ended 30 June 2014.

Further details can be found at Note 16(c) in Part III.

6.

Share option arrangements

6.1

Share Option Schemes

On 4 November 2014 the Company established an employee share option plan (“**Unapproved Plan**”), a qualifying Company Share Option Plan (“**CSOP**”), and a non-executive director share option plan (“**NED Plan**”) (together, “**Share Option Schemes**”). The principal terms of the Share Option Schemes are as follows:

General

The Share Option Schemes will be administered by the remuneration committee of the board of directors (the “**Remuneration Committee**”).

The CSOP has been designed to be registered with HM Revenue & Customs as a Schedule 4 Company Share Option Plan scheme (as defined in the Income Tax (Earnings and Pensions) Act 2003).

Eligibility

All employees (including executive directors) of the Group may be granted options under the Unapproved Plan and the CSOP. Non-executive directors and other non-employees of the Group may be granted options under the NED Plan.

Grant of Options

The Remuneration Committee will have absolute discretion to select the persons to whom options may be granted and, subject to the limits set out under ‘Plan Limits’ below, in determining the number

of Ordinary Shares to be subject to each option.

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(partial) and 21.1.6

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Other than in exceptional circumstances, options may only be granted during the period of 42 days commencing on: (a) the date on which the Share Option Schemes were established; and; (b) the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year.

No option will be granted after the tenth anniversary of the date on which the Share Option Schemes were established.

No consideration will be payable for the grant of an option.

Plan limits

On a given date, the total number of Ordinary Shares issued or transferred from treasury (or capable of issue or transfer from treasury) in respect of options granted under the Share Option Schemes, or in respect of options, awards or other rights granted in the preceding ten year period under any other share scheme, will not exceed 10 per cent. of the ordinary share capital of the Company in issue at that time. Options granted pursuant to the Share Option Schemes on or before Admission will not be subject to, or count towards, the 10 per cent. limit.

Individual limits

Each individual's participation under the CSOP will be limited so that the aggregate market value of Ordinary Shares subject to all options (calculated as at the date of grant of each option) held by that individual and granted under the CSOP will not exceed £30,000 (or such other amount as may be permitted under the Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 from time to time).

Exercise Price

The exercise price per Ordinary Share payable under an option is determined by the Remuneration Committee at the time of grant of an option, but may not be less than the market value of an Ordinary Share as at the date of grant.

Vesting and Exercise of Options

The Remuneration Committee will have discretion at the time of grant of an option to determine the basis on which an option will vest and become exercisable. The exercise of options may be made conditional on the achievement of objective performance conditions, and/or the passage of time, set at the time of grant.

An option will not be capable of being exercised later than the day immediately prior to the tenth anniversary of its date of grant and, unless exercised, will lapse on the tenth anniversary of its date of grant.

If the Remuneration Committee imposes performance conditions in respect of an option granted pursuant to any of the Share Option Plans, the Remuneration Committee may subsequently vary such performance conditions if anything happens which causes the Remuneration Committee to consider it appropriate to do so provided that any amended condition is not materially more difficult and is no less challenging to satisfy than the original performance condition was intended to be when originally set.

Cessation of employment

Options will lapse in full (regardless of the extent to which an option has vested) if a participant dies or ceases to be employed by the Group (or in the case of the NED Plan, ceases to be engaged by the Group).

Takeover events

In the event of a takeover of the Company, options may be exercised in full (including any portion of such options which are un-vested immediately prior to such takeover).

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Other Award terms

Options will not be capable of transfer or assignment. Benefits obtained under the Option Schemes will not be pensionable.

Adjustment of Options

The number of Ordinary Shares under an option, their nominal value and the exercise price of an option may be adjusted by the Remuneration Committee in the event of any alteration to the share capital of the Company, a rights issue, a demerger or a special dividend.

Administration and amendment

The Remuneration Committee may amend the provisions of the Share Option Schemes. The rules of the Share Option Schemes that relate to:

- the persons to whom options may be granted;
- the limits on the number of Ordinary Shares that may be issued;
- the maximum entitlement of any option holder; and
- the basis for determining an option holder's entitlement to Ordinary Shares or options and for the adjustment thereof following any increase or variation in the share capital of the Company, cannot be amended to the advantage of any option holder or potential option holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the Share Option Schemes, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders, the Company or any subsidiary of the Company.

6.2

Grant of Options under Share Option Schemes

On 27 November 2014 the following options over Ordinary Shares were granted under the Unapproved and CSOP Plan for nil consideration:

Number

Exercise Period

Exercise Price

192,300

4/12/16-4/12/24

130 pence

46,150

4/12/16-4/12/24

130 pence

65,380

4/12/16-4/12/24

130 pence

7.

Material contracts

7.1

Other than as set out below and in paragraph 5.5 of this Part IV, and other than contracts in the ordinary course of business, no Group company has entered into any contracts in the two years immediately prior to the date of this document which are or may be material, or which contain any provision under which any Group company has any obligation or entitlement which is material to the Group as at that date of this document:

7.2

Placing Agreement

7.2.1 Pursuant to the Placing Agreement dated 28 November 2014 and made between the Company, the Directors, Tom Gutteridge and finnCap. finnCap has agreed, conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 4 December 2014, (or such later time and/or date as the Company and finnCap may agree, not being later than 31 December 2014) to use its reasonable endeavours to procure subscribers for the Placing Shares proposed to be issued by the Company at the Placing Price.

7.2.2 The Placing Agreement contains indemnities and warranties from the Company in favour of finnCap and warranties from the Directors in favour of finnCap, together with provisions which

enable finnCap to terminate the Placing Agreement in certain circumstances before Admission, including circumstances where any of the warranties are found not to be true or accurate in any material respect. The liability of the Company for breach of warranty is unlimited.

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7.2.3 The Placing Agreement provides for the payment to finnCap of (i) a broking commission; and (ii) a corporate finance fee. The agreement also provides for the Company to pay all expenses of and incidental to the Placing and the application for Admission, including the fees and costs of other professional advisers, all costs relating to the Placing, including printing, advertising and distribution charges, the fees of the Registrars and the fees payable to the London Stock Exchange.

7.3

Registrar Agreement

7.3.1 Pursuant to a registrar agreement dated 27 November 2014 between the Company and the Registrar, the Company appointed the Registrar to act as its share registrar. Under this agreement the Company has agreed to pay an annual fee for which the Registrar will perform the services of the Company's share registrar in relation to the trading of the Ordinary Shares on AIM. The Registrar may also be entitled to fees for additional services requested by the Company.

7.3.2 The registrar agreement shall continue (unless terminated in accordance with the early termination provisions) for an initial term of 12 months renewing automatically thereafter for periods of 12 months unless terminated by either party giving written notice to the other not less than three months prior to the expiry of the initial term or any subsequent 12 month period. The registrar agreement contains certain representations, warranties and indemnities given by the Company to the Registrar.

7.4

Lock-in and Orderly Market Deeds

Pursuant to agreements dated 28 November 2014 between the Company, finnCap, each Director and Tom Gutteridge, each of them has agreed with the Company and finnCap not to dispose of any interest he or she holds in Ordinary Shares for a period of 12 months from Admission, except in certain limited circumstances. Each Director and Tom Gutteridge has also agreed (subject to certain exceptions) that, for a further period of 12 months thereafter, he or she will only dispose of his Ordinary Shares through finnCap or such other person as may be the broker of the Company from time to time (except in certain limited circumstances) in order to maintain an orderly market, unless (in each case) otherwise agreed in writing with finnCap.

7.5

Relationship Deed

Pursuant to a relationship deed dated 28 November 2014 between Andrew Rosenfeld, the Company and finnCap, which sets out provisions to regulate the use of Andrew Rosenfeld's shareholding (being approximately 65 per cent. of the Existing Ordinary Shares, or approximately 56.1 per cent. of the Enlarged Share Capital and resulting in a controlling shareholding). The deed contains general assurances as to the independence of the Group, whereby Andrew Rosenfeld undertakes to ensure, so far as is within his powers, that the Company is capable at all times of carrying on its business independently of him and his affiliates, and agrees to support and uphold the standards of best practice regarding substantial shareholders as required by the London Stock Exchange and the FCA (including the independence provisions set out in the FCA's UK Listing Rules. The parties also agree that all transactions and relationships between Andrew Rosenfeld, his affiliates and members of the Group will be at arm's length and on a normal commercial basis. Andrew Rosenfeld further agrees that:

7.5.1 he shall (and shall use reasonable endeavours to procure that the affiliates shall) exercise his voting rights to procure that at all times at least two of the non-executive directors of the Company shall be independent of him and his affiliates;

7.5.2 he shall not (and shall take all reasonable steps to ensure that none of his affiliates shall), save with the prior written consent of finnCap, exercise his voting rights in favour of any proposed amendment to the Articles which violates the terms of the relationship deed;

7.5.3 save with the prior written consent of finnCap, he shall not (and shall procure his affiliates shall not) exercise voting rights in respect of any transaction between a member of the Group and him (or his affiliates) or in respect of any resolution required pursuant to the AIM Rules where the AIM Team of the London Stock Exchange requires he (or any of his affiliates) abstain from voting;

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7.5.4 he shall not (and shall procure his affiliates shall not) vote in favour of any resolution put to the Company to cancel the Company's admission to AIM except to the extent such reduction is approved by a majority of the independent Directors (or in certain other limited circumstances); and

7.5.5 any proposed transaction between Andrew Rosenfeld and his related and/or connected parties on the one hand and any member of the Group on the other hand shall be conditional upon the prior approval by a majority of the independent directors.

The provisions of the deed remain in full force and effect for so long as Andrew Rosenfeld retains shares carrying more than 20 per cent. of the voting rights in the Company and the share capital of the Company remains admitted to trading on AIM.

7.6

Agreement for the acquisition of Airnet

An agreement dated 25 November 2014 between the Company and Andrew Rosenfeld, pursuant to which the Company acquired the entire issued share capital of Airnet from Andrew Rosenfeld in consideration for the issue to Andrew Rosenfeld of 33,750 ordinary shares of £0.01 each in the capital of the Company. The agreement contains certain representations, warranties and indemnities given by Andrew Rosenfeld in favour of the Company, including representations and warranties in respect of Andrew Rosenfeld's ownership of the Airnet shares and ability to transfer those shares to the Company and an indemnity in relation to a confirmation of Airnet's sole assets being a holding of 1,500,000 Holding Shares, and the benefit of loans made by Airnet to Holdings, and Airnet not having any liabilities (other than those expressly disclosed).

7.7

Agreement for the acquisition of Maenetcom

An agreement dated 25 November 2014 between the Company and Mark Epstein, pursuant to which the Company acquired the entire issued share capital of Maenetcom from Mark Epstein in consideration for the issue to Mark Epstein of 5,625 ordinary shares of £0.01 each in the capital of the Company. The agreement contains certain representations, warranties and indemnities given by Mark Epstein in favour of the Company, including representations and warranties in respect of Mark Epstein's ownership of the Maenetcom shares and ability to transfer those shares to the Company and an indemnity in relation to a confirmation of Maenetcom's sole asset being a holding of 250,000 Holding Shares and Maenetcom not having any liabilities (other than those expressly disclosed).

7.8

Agreement for the acquisition of TGCom

An agreement dated 25 November 2014 between the Company and Tom Gutteridge, pursuant to which the Company acquired the entire issued share capital of TGCom from Tom Gutteridge in consideration for the issue to Tom Gutteridge of 5,625 ordinary shares of £0.01 each in the capital of the Company. The agreement contains certain representations, warranties and indemnities given by Tom Gutteridge in favour of the Company including representations and warranties in respect of Tom Gutteridge's ownership of the TGCom shares and ability to transfer those shares to the Company and an indemnity in relation to a confirmation of TGCom's sole asset being a holding of 250,000 Holding Shares, and TGCom not having any liabilities (other than those expressly disclosed).

7.9

Agreement for the acquisition of Holdings Shares from Jimmy Wales

An agreement dated 26 November 2014 between the Company and Jimmy Wales, pursuant to which

the Company acquired 222,223 Holdings Shares from Jimmy Wales in consideration for the issue to Jimmy Wales of 5,000 ordinary shares of £0.01 each in the capital of the Company. The agreement contains certain representations and warranties given by Jimmy Wales in favour of the Company including representation and warranties in respect of Jimmy Wales' ownership of the Holdings Shares and his ability to transfer these shares to the Company.

7.10 *Transatel Agreement*

An agreement dated 3 October 2012 between Transatel and Holdings (which was novated to the LLP in November 2012) pursuant to which Transatel, an MVNE, provides both the mobile telephony services to the LLP through a third party mobile network operator, EE, and provides provisioning, support and maintenance service to the LLP, in each case to enable the LLP to provide mobile

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services to its own customers. The agreement includes customary provisions for an agreement of this type, including (amongst other matters) that each of Transatel and EE have suspension and enforcement rights in respect of the services to be provided under the agreement which are exercisable in certain circumstances, cross-indemnities (subject to applicable limitations of liability) in respect of liabilities arising from interruptions or suspensions in service caused by either party and other exclusions and limitations of liability. The agreement is now terminable by either party on not less than 12 months' written notice.

7.11 *Sprint Agreement*

On 17 September 2014 Holdings entered into an agreement with Sprint Spectrum L.P. ("Sprint") pursuant to which Sprint has agreed to provide certain mobile telephony services to the Group so that TPO may operate as an MVNO in the USA. Sprint will not begin to provide the services under the agreement until TPO has obtained all required regulatory licences. The agreement is for a five year period from the date when the Group has its first end user activated in the USA, and is conditional upon the first end user being activated within 270 days of 17 September 2014 (unless otherwise agreed). After the initial five year term the agreement renews for successive twelve month periods unless either party gives advance notice that the agreement is not to renew. The agreement may be terminated by Sprint in a number of circumstances including for material unremedied breach, for failure to meet specified minimum subscriber numbers by particular specified dates and if TPO is the subject of an unapproved change of control. The agreement is subject to customary terms and conditions for an agreement of this kind and contains certain representations, warranties and indemnities given by Holdings in favour of Sprint.

7.12 *Service Agreement with Mass1 Limited*

An agreement dated 25 November 2014 between Holdings and (2) Mass1 Limited (a company controlled by Mark Epstein and Tom Gutteridge) pursuant to which Mass1 Limited has provided and will continue to provide certain services to the Company (including website development, hosting and support) and has assigned certain rights in relation to those services to the Company. The agreement is terminable by either party on three months' notice.

7.13 *Jimmy Wales Warrant Agreement*

Details of the warrant agreement between the Company and Jimmy Wales are set out in paragraph 3.6 of this Part IV.

8.

UK taxation

8.1

Introduction

The following paragraphs are intended as a general guide based on current legislation and HMRC practice as at the date of this document regarding the UK tax position of Shareholders who are resident in the United Kingdom for tax purposes and who beneficially hold their shares as investments (otherwise than under an individual savings account ("ISA")).

The following paragraphs do not constitute tax advice. In particular, Shareholders who receive shares in connection with an employment contract with the Company or as an office holder, should seek specific advice on their tax position. Any Shareholder who is in doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United

Kingdom, is strongly recommended to consult their professional advisers.

8.2

Taxation of dividends

Under current UK taxation legislation, no tax is withheld at source from dividend payments made by the Company.

An individual Shareholder who is resident (for tax purposes) in the United Kingdom and who receives a dividend paid by the Company will currently be entitled to receive a tax credit equal to 1/9th of the cash dividend. The individual will be taxable upon the total of the dividend and the related tax credit (the “**gross dividend**”) which will be regarded as the top slice of the individual’s income. An individual Shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per

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cent.) will pay tax on the gross dividend at the dividend ordinary rate (currently 10 per cent.).

Accordingly, the tax credit will be treated as satisfying the individual’s liability to income tax in respect of the dividend and there will be no further tax to pay. It should be noted however that there is no right to claim any repayment of the tax credit from HMRC.

To the extent that the gross dividend (taken together with other taxable income) exceeds the individual’s threshold for the higher rate of income tax the individual will, to that extent, pay tax on the gross dividend at the dividend upper rate (currently 32.5 per cent.). A UK resident individual Shareholder who is liable to tax at the additional rate will be liable to tax on the gross dividend at the rate of 37.5 per cent. After taking into account the 10 per cent. tax credit, a higher rate tax payer will have further income tax to pay at the rate of 22.5 per cent. on the gross dividend (equivalent to 25 per cent. of the dividend received). An additional rate taxpayer will have further income tax to pay at the rate of 27.5 per cent. on the gross dividend (equivalent to 30.55 per cent. of the dividend received). Tax credits are not repayable to Shareholders with no income tax liability or whose liability to income tax does not exceed the amount of tax credit.

Subject to exceptions for certain insurance companies and companies which hold shares as trading stock, a Shareholder which is a company resident (for tax purposes) in the United Kingdom and which receives a dividend paid by the Company will not generally be liable to corporation tax or income tax on the dividend.

Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 37.5 per cent. of the gross dividend (equivalent to 30.55 per cent. of the dividend received). United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive but are not entitled to claim repayment of the tax credit.

8.3

Taxation on capital gains for Shareholders

To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will generally constitute the base cost of a Shareholder’s holding.

A disposal or deemed disposal of Ordinary Shares by a UK resident Shareholder may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax (“**CGT**”) (where the Shareholder is an individual or a trustee of a settlement) or UK corporation tax on chargeable gains (where the Shareholder is within the charge to UK corporation tax), depending on their circumstances and subject to any available exemption or relief.

As regards an individual Shareholder or trustees of settlements, the principal factors that will determine the extent to which a gain will be subject to CGT are (i) the extent to which he realises any other capital gains in the tax year of assessment in which the gain arises, (ii) the extent to which he has incurred capital losses in that or any earlier tax year or assessment and (iii) the level of annual allowance of tax-free gains in the tax year of assessment in which the disposal takes place.

Subject to the availability of any such exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by UK resident individuals, trustees and personal representatives will generally be subject to CGT at the rate of 28 per cent. Individuals whose taxable income for the year in question is less than the upper limit of the basic rate income tax band are subject to CGT at the rate of 18 per

cent., except to the extent that the aggregate of their total taxable income and gains (less allowable deductions) in that year exceeds the upper limit of the basic rate income tax band. Any such excess over the upper limit is subject to CGT at the rate of 28 per cent.

Subject to the availability of any exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by companies subject to UK corporation tax will generally be subject to UK corporation tax at the prevailing rate of up to 21 per cent. Indexation allowance may be available to reduce any chargeable gain arising on such disposal but cannot act to create or increase a chargeable loss.

8.4

Stamp duty and stamp duty reserve tax (“SDRT”)

Currently dealings in Ordinary Shares will normally be subject to stamp duty or SDRT.

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However, as from 28 April 2014, transactions on securities are exempt from stamp duty and SDRT where those securities are admitted to trading on any recognised growth market (such as AIM) and are not listed on any recognised stock exchange.

Where this exemption is not applicable, then the transfer on sale of Ordinary Shares will usually be liable to ad valorem stamp duty, at the rate of 0.5 per cent. (rounded up, if necessary, to the next multiple of £5.00) of the amount or value of the consideration paid. Stamp duty will normally be paid by the purchaser or transferee of the Ordinary Shares. An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT, at the rate of 0.5 per cent. of the amount or value of the consideration payable for such shares, but such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duly stamped instrument of transfer within six years of the date of the agreement or, if the agreement was conditional, the date on which the agreement became unconditional. SDRT will normally be the liability of the purchaser or transferee of the Ordinary Shares.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of shares into the system, unless the transfer into CREST is itself for consideration in money or money’s worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of consideration given. Transfers of shares within CREST are generally liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable rather than stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected and accounted for to HMRC. The above statements are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate as mentioned above or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer shares to charities will not usually give rise to a liability to stamp duty or SDRT.

9.

Mandatory bids, squeeze-out and sell out rules

9.1

Mandatory bid

9.1.1 The Takeover Code applies to the Company as it is a public company with its registered office in the United Kingdom. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and any parties acting in concert with it to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties (if any) during the previous 12 months. A similar obligation to make such mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person holding (together with its concert parties, if any) Ordinary Shares carrying at least 30 per cent. but not more than 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the

aggregate voting rights held by the acquirer and its concert parties (if any).

9.1.2 For so long as Andrew Rosenfeld continues to be interested in Ordinary Shares carrying more than 50 per cent. of the total voting rights in the Company, he may increase his interests in Ordinary Shares without incurring any obligation under Rule 9 of the Takeover Code to make a general offer to acquire the entire issued Share Capital of the Company.

9.2

Squeeze-out rules

Under the Companies Act, if a person who has made a general offer to acquire Ordinary Shares (the “offeror”) were to acquire, or contract to acquire, 90 per cent. of the Ordinary Shares which are the subject of such offer within four months of making its offer, the offeror could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding Shareholders telling them that the offeror will compulsorily acquire their Ordinary Shares and then, six weeks later, executing a transfer of the outstanding Ordinary Shares in the offeror’s favour and paying the

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consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to those Shareholders whose Ordinary Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the general offer.

9.3

Sell-out rules

The Companies Act gives minority Shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 9.2 above. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder’s Ordinary Shares.

The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

10. Working Capital

The Directors (having made due and careful enquiry) are of the opinion that, taking into account existing cash balances and the net proceeds of the Placing receivable by the Company, the working capital available to the Company and its Group is sufficient for its present requirements, that is for at least 12 months from the date of Admission.

11. Corporate Governance

The Company has not complied to date with the requirements of the English corporate governance regime because those requirements only apply to listed companies. The Company’s future intentions regarding compliance with the English corporate governance regime are set out in the paragraph headed “Corporate Governance” in Part I of this document.

12. Employees

12.1 In the year to 31 December 2012 the average number of employees in the Group was five.

12.2 In the year to 31 December 2013 the average number of employees in the Group was six.

13. Litigation

No member of the Group is, nor has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company’s or the Group’s financial position or profitability.

14. Third Party Information

14.1 The information referenced as having been provided by (i) the ITU, (ii) Portio Research and (iii) Ericsson and set out in Part 1 of this document has been sourced from;

14.1.1 in the case of the ITU a publication entitled “The World in 2014 – ICT Facts and Figures” and 2005-2014 ICT data for the world, by geographic regions and by levels of development for mobile cellular subscriptions;

14.1.2 in the case of Portio Research, the Portio Research Mobile Factbook 2013; and

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Annex 1 20.8
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14.1.3 in the case of Ericsson, the Ericsson Mobility Reports dated November 2013 and June 2014.

14.2 The Company confirms that information has been accurately reproduced and that as far as it is aware and is able to ascertain from information published by each of those third parties, no facts have been omitted which would render the information reproduced inaccurate or misleading.

14.3 finnCap is acting in the capacity as nominated adviser and broker to the Company. finnCap has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

14.4 BDO LLP, whose registered office is 55 Baker Street, London W1U 7EU, has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Section A of Part III in the form and context in which it is included. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

15. Use of Proceeds, Expenses and General

15.1 The total proceeds expected to be raised by the Placing amount to £20 million, and the net proceeds of the Placing (following the deduction of the expenses of Admission and the Placing referred to in paragraph 15.2 below) are estimated to amount to £17.9 million.

15.2 The overall costs and expenses payable by the Company in connection with Admission and the Placing (including professional fees, commissions, underwriting commission, the costs of printing and the fees payable to the Registrars) are estimated to amount to approximately £2,100,000 (excluding VAT).

15.3 The estimated net proceeds of the Placing referred to in paragraph 15.1 above are intended for the following principal uses, presented in descending order of priority:

(i)

Development of global community website and Global Marketing
£7m

(ii)

Ongoing working capital
£8m

(iii)

Further global expansion
£3m

(iv)

Transaction costs
£2m

15.4 Save as disclosed in this document (excluding professional advisers otherwise disclosed in this document and trade suppliers and counterparties of contracts being in the ordinary course of business) no person has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission, or entered into contractual arrangements to receive, directly or indirectly, on or after Admission:

(i)

fees totalling £10,000 or more;

(ii)

securities of the Company having a value of £10,000 or more calculated by reference to the

Placing Price; or

(iii)

any other benefit with a value of £10,000 or more at the date of Admission.

15.5 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

15.6 Neither the Existing Ordinary Shares nor the New Ordinary Shares have been admitted to dealings on a recognised investment exchange and save in relation to the application for Admission, no application for such admission has been made.

15.7 There has been no significant change in the financial or trading position of the Group which has occurred since the end of the last financial period for which either audited financial information or interim financial information has been published.

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Annex 1 6.4
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(partial)
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8.1
Annex III 8.1
Annex III 10.1

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16. Auditors and Nature of Financial Information

16.1 As at the date of this document, Gerald Edelman are appointed as the auditor of the Company. However, it is the intention of the Directors to appoint a replacement auditor as soon as possible following Admission and that this auditor will be selected from amongst the largest six accounting practices in the UK.

16.2 Since incorporation, the Company has not commenced operations and has no material assets or liabilities and that therefore no financial statements have been prepared as at the date of this document.

16.3 The financial information in this document relating to the Group and in particular the financial information contained in the Historical Financial Information in Section B of Part III of this document, does not constitute statutory accounts within the meaning of section 434 of the Companies Act. No statutory accounts have been prepared to date in respect of the Company. Statutory accounts have been prepared in respect of Holdings for the period ended 31 December 2012 and the year ended 31 December 2013. The statutory accounts for the period ended 31 December 2012 were exempt from the statutory audit requirement. The auditors of Holdings (details of which are set out in paragraph 2.12 above), have audited the statutory accounts of Holdings for the year ended 31 December 2013 and have given an unqualified audit report on those statutory accounts within the meaning of section 495 of the Companies Act. That report contained no statement under sub sections 498(2) or (3) of the Companies Act, but included a statement under sub section 495(4)(b) of the Companies Act. Abbreviated statutory accounts for Holdings for the financial period ended 31 December 2012 and statutory accounts for Holdings for the financial year ended 31 December 2013 have been delivered to the Registrar of Companies in England and Wales.

17. Documents on display

Copies of this document are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) during normal business hours for a period of 3 months following Admission at the offices of the Company and also on the Company's website at www.thepeoplesoperator.com.

28 November 2014

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