

# **Satellite Solutions Worldwide Group plc**

## **AIM Admission Document**

Admission to trading on AIM by  
**Strand Hanson Limited and Arden Partners plc**

**STRAND  
HANSON**

**Nominated & Financial Adviser**

 **ARDEN  
PARTNERS**

**Broker**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should seek your own personal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the UK, or, if you are not resident in the UK, from another authorised independent adviser.**

Cleeve Capital PLC (the "**Company**"), the Directors and the Proposed Directors, whose names appear on page 12 of this document, accept responsibility, collectively and individually, for the information contained in this document and for compliance with the AIM Rules for Companies (the "**AIM Rules**"). To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent that information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Proposed Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as set out in this document.

In accordance with the AIM Rules, application has been made for admission to trading on AIM, a market operated by London Stock Exchange plc (the "**London Stock Exchange**") ("**AIM**") ("**Admission**") for the whole of the Company's issued, and to be issued, ordinary shares comprising the ordinary shares in issue as at the date of this document (the "**Existing Ordinary Shares**"), the new ordinary shares to be issued in connection with the Acquisition (the "**Consideration Shares**"), the new ordinary shares to be issued in lieu of certain fees payable (the "**Fee Shares**") and the new ordinary shares in the Company to be issued pursuant to the Subscription (the "**Subscription Shares**") (together the "**Enlarged Share Capital**"). It is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on AIM on 12 May 2015. From Admission, the Enlarged Share Capital will not be dealt in on any market other than AIM and, apart from the application for Admission, no application has been or is intended to be made for the Enlarged Share Capital to be admitted to trading on any such other market.

This document does not comprise a prospectus within the meaning of section 85 of the FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom, within the meaning of section 102B of the FSMA, and has not been approved or examined by and will not be filed with the United Kingdom Financial Conduct Authority, London Stock Exchange or the United Kingdom Listing Authority ("**UKLA**"), but comprises an admission document in relation to AIM. It has been drawn up in accordance with the AIM Rules and has been issued in connection with the proposed Admission.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA (the "Official List") and the AIM Rules are less demanding than those regulations applicable to companies on the Official List. It is emphasised that no application is being made for admission of the Enlarged Share Capital to trading on the Official List. A prospective investor should be aware of the risks of investing in AIM companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

# CLEEVE CAPITAL PLC

*(incorporated in England & Wales under the Companies Act 2006 with registered number 9223439)*

## Acquisition of Satellite Solutions Worldwide Limited

### Change of Name to Satellite Solutions Worldwide Group PLC

### Subscription for up to 50,000,000 New Ordinary Shares at 4.5 pence per share

### Issue of Warrants

### Cancellation of Admission to the Standard Segment of the Official List and

### Application for Admission to trading on AIM

**Financial & Nominated Adviser**  
**STRAND HANSON LIMITED**

**Broker**  
**ARDEN PARTNERS PLC**

The Acquisition and the Subscription are conditional on, *inter alia*, Admission taking place on or before 12 May 2015 (or such later date as the Company and Strand Hanson Limited ("**Strand Hanson**") may agree), but in any event not later than 12 June 2015. The Consideration Shares, Subscription Shares and Fee Shares will, when issued and allotted, rank in full for all dividends or other distributions declared made or paid on the Enlarged Share Capital after the date of their allotment and issue and will rank *pari passu* in all other respects with the Existing Ordinary Shares in issue at that time.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ AND IN PARTICULAR YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" SET OUT IN PART 3 OF THIS DOCUMENT THAT DESCRIBES CERTAIN RISKS ASSOCIATED WITH AN INVESTMENT IN THE COMPANY.**

Strand Hanson, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial and nominated adviser to the Company in connection with the Subscription and Admission. Its responsibility as the Company's nominated adviser under the AIM Rules for Nominated Advisers is owed solely to the London Stock Exchange and is not owed to the Company or to any Director (or Proposed Director) or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Strand Hanson is acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Subscription or the proposed Admission.

Arden Partners plc ("**Arden Partners**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as broker to the Company in connection with the Subscription and Admission. Arden Partners will not be responsible to any person other than the Company for providing the protections afforded to clients of Arden Partners or for providing advice to any other person in connection with the Subscription and Admission or any acquisition of shares in the Company. Arden Partners is not making any representation or warranty, express or implied, as to the contents of this document. Arden Partners has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by Arden Partners for the accuracy of any information or opinions contained in this document or for the omission of any material information.

Neither Strand Hanson nor Arden Partners has authorised the contents of this document and no representation or warranty, express or implied, is made by Strand Hanson or Arden Partners as to the accuracy or contents of this document or the opinions contained herein, without limiting the statutory rights of any person to whom this document is issued. The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of any ordinary shares in the capital of the Company ("**Ordinary Shares**") (whether on or off exchange) and accordingly no duty of care is accepted by Strand Hanson or Arden Partners in relation to them. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document will not, under any circumstances, be deemed to create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

This document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular this document is not for distribution into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or any other jurisdiction where to do so would be in breach of any applicable laws and/or regulations. The Ordinary Shares have not been, nor will they be, registered under the securities legislation of the United States, any province or territory of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, the Ordinary Shares may not, subject to certain exemptions, be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, or to any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. No action has been taken by the Company, the holders of Ordinary Shares, or by Strand Hanson or Arden Partners that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Investors should only rely on the information in this document and any supplementary admission document produced to supplement the information contained in this document. No person has been authorised to give any information or to make any representations other than as contained in this document in connection with the Admission and Subscription and, if given or made, such information and representations must not be relied upon as having been authorised by or on behalf of the Company. The contents of the websites of the Enlarged Group (and/or any of its affiliates) or any website directly or indirectly linked to such websites do not form part of this document and investors should not rely on them.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturdays, Sundays and public holidays) from the date hereof until one month after Admission from the offices of Strand Hanson, 26 Mount Row, London W1K 3SQ and from the Company's website: [www.cleevecapital.com](http://www.cleevecapital.com) which will be changing to [www.satellitesolutionsworldwide.com](http://www.satellitesolutionsworldwide.com) with effect from Admission.

### **Forward-looking statements**

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' and the Proposed Directors' current expectations and assumptions 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. Predicted results or developments could fail to occur due to a number of factors. Nothing in this document shall be relied upon as a promise or representation as to future performance or otherwise. Forward-looking statements are or may be, without limitation, identified by the use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part 3 of this document. The Directors and the Proposed Directors believe that the expectations reflected in these statements are reasonable, but 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, is subject to change without notice, and may not come to pass, and none of the Company, the Directors or the Proposed Directors undertakes any obligation to update such statements.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	6 May 2015
Cancellation of admission to the Standard Segment of the Official List and to trading on the London Stock Exchange's Main Market	4.30 p.m. on 11 May 2015
Admission becomes effective and dealings in the Enlarged Share Capital expected to commence on AIM	8.00 a.m. on 12 May 2015
CREST accounts expected to be credited in respect of Consideration Shares, Subscription Shares and Fee Shares (where applicable)	12 May 2015
Definitive share certificates expected to be dispatched (where applicable)	by 26 May 2015

*Each of the times and dates in the above timetable is subject to change without further notice. All references are to London time unless otherwise stated. Temporary documents of title will not be issued.*

## TRADING STATISTICS

Issue price per Consideration Share, Subscription Share and Fee Share	4.5 pence
Number of Existing Ordinary Shares in issue at the date of this document	128,833,333
Number of Consideration Shares to be issued	115,384,615
Number of Subscription Shares to be issued	50,000,000
Number of Fee Shares to be issued	13,928,334
Enlarged Share Capital	308,146,282
Percentage of the Enlarged Share Capital represented by the Consideration Shares	37.4 per cent.
Percentage of the Enlarged Share Capital represented by the Subscription Shares	16.2 per cent.
Percentage of the Enlarged Share Capital represented by the Fee Shares	4.5 per cent.
Number of Share Options outstanding on Admission	6,832,210
Number of Warrants outstanding on Admission	1,626,923
Gross cash proceeds from the Subscription receivable by the Company	£2.25 million
Net cash proceeds from the Subscription receivable by the Company	£1.80 million
Market capitalisation of the Company on Admission at the Subscription Price	£13.87 million
Existing TIDM	CLEE
New TIDM (following the Company changing its name)	SAT
ISIN	GB00BT6SRD21
SEDOL	BT6SRD2

## DEFINITIONS

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

“Act”	the UK Companies Act 2006, as amended from time to time;
“Admission”	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules for Companies;
“AIM”	the AIM Market operated by the London Stock Exchange;
“AIM Rules for Companies” or “AIM Rules”	the London Stock Exchange’s rules and guidance notes contained in its “AIM Rules for Companies” publication relating to companies whose securities are traded on AIM, as amended from time to time;
“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of SSW, pursuant to the terms of the Acquisition Agreement;
“Acquisition Agreement”	the conditional agreement dated 21 April 2015 between (1) the Management Sellers and (2) the Company relating to the Acquisition, further details on which are set out in paragraph 12.1 of Part 7 of this document;
“Arden Partners”	Arden Partners plc of Arden House, Highfield Road, Edgbaston, Birmingham B15 3DU, the Company’s broker;
“Arden Partners Fee Shares”	306,667 new Ordinary Shares to be issued fully paid to Arden Partners, further details on which are set out in paragraph 12 of Part I of this document;
“Articles”	the articles of association of the Company as at the date of this document and in force on Admission;
“Avanti”	Avanti Communications Group plc of Cobham House, 20 Black Friars Lane, London EC4V 6EB, a leading satellite operator;
“Board” or “Directors”	the current board of directors of the Company, whose names are set out on page 12 of this document;
“Bob Squared Limited”	Bob Squared Limited of 7 Granard Business Centre, Bunns Lane, Mill Hill, London NW7 2DQ, a company receiving Fee Shares;
“certificated” or “in certificated form”	an Ordinary Share which is not in uncertificated form (that is, not in CREST);
“Cleeve Capital” or “Company”	Cleeve Capital PLC, a company incorporated in England and Wales with registered number 9223439, whose registered office is at 6 New Street Square, London EC4A 3LX;
“Completion”	completion of the Acquisition in accordance with the terms of the Acquisition Agreement;
“Conditions”	the conditions to completion of the Acquisition being, amongst other things, (i) the Subscription being unconditional save for completion of the Acquisition and Admission, and (ii) Admission;
“Consideration Shares”	115,384,615 new Ordinary Shares to be issued fully paid to the SSW Shareholders pursuant to the terms of the Acquisition Agreement;

“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
“Disclosure and Transparency Rules”	the disclosure rules and transparency rules made by the FCA under Part VI of the FSMA;
“Disclosure Date”	5 May 2015, being the latest practicable date prior to publication of this document;
“Directive”	the Directive on Takeover Bids (2004/25/EC);
“Dragged Sellers”	the SSW Shareholders on the date of the Acquisition Agreement, other than the Management Sellers;
“EIS”	Enterprise Investment Scheme;
“Enlarged Board”	the Directors and the Proposed Directors;
“Enlarged Group”	the Company and SSW immediately following completion of the Acquisition;
“Enlarged Share Capital”	the share capital of the Company on Admission, being 308,146,282 Ordinary Shares and comprising the Existing Ordinary Shares, the Consideration Shares, the Subscription Shares and the Fee Shares;
“ETIP”	Europasat Technology Integration Platform, a software platform developed by SSW to link with satellite providers’ systems;
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registered number 2878738, being the operator of CREST;
“Eutelsat”	Eutelsat S.A. of 70, rue Balard, F-75502 Paris Cedex 15, France, a leading satellite operator;
“Existing Ordinary Shares”	the 128,833,333 Ordinary Shares in issue as at the date of this document;
“FCA”	the Financial Conduct Authority (formerly the Financial Services Authority) of the United Kingdom;
“Fee Shares”	in aggregate, 13,928,334 new Ordinary Shares to be issued fully paid, comprising (i) 11,399,445 new Ordinary Shares to be issued, in aggregate to Bob Squared Limited, Sightpath Limited, SRG and Tom Pridmore (pursuant to his letter of appointment detailed in 7.2(c) of Part 7 of this document), (ii) the Strand Hanson Fee Shares and (iii) the Arden Partners Fee Shares;
“FSMA”	the Financial Services and Markets Act 2000 of the UK (as amended from time to time), including any regulations made pursuant thereto;
“IFRS”	International Financial Reporting Standards, as adopted by the European Union;



“Hispasat”	Hispasat Group of 39 Paseo de la Castellana, 28046 Madrid, a Spanish satellite communications operator;
“Introduction Agreement”	the conditional agreement dated 6 May 2015 between (1) the Company, (2) the Directors, (3) the Proposed Directors, (4) Simon Clifton and (5) Strand Hanson, further details of which are set out in paragraph 12.4 of Part 7 of this document;
“ISIN”	the International Securities Identification Number of the Company, being GB00BT6SRD21;
“Listing Rules”	the listing rules being made by the UKLA under section 73A of the FSMA, as amended from time to time;
“Locked-in Parties”	the Directors, the Proposed Directors and the Locked-in SSW Shareholders;
“Locked-in SSW Shareholders”	each of Bob Squared Limited, Jonathan Robinson, Sightpath Limited, Simon Clifton and Thomas Wheeler;
“London Stock Exchange”	London Stock Exchange plc;
“Management Sellers”	each of Andrew Walwyn, Simon Clifton, Thomas Wheeler, Jonathan Robinson and Frank Waters, being parties to the Acquisition Agreement;
“Official List”	the Official List maintained by the UK Listing Authority pursuant to Part VI of the FSMA;
“Ordinary Shares”	the ordinary shares of £0.01 par value each in the capital of the Company;
“Panel”	the UK Panel on Takeovers and Mergers;
“Proposed Directors”	the proposed directors of the Company to be appointed with effect from Admission, being Andrew Walwyn and Frank Waters;
“Pounds Sterling” or “£”	pounds sterling, the lawful currency of the UK from time to time;
“Prospectus Directive”	Directive 2003/71/EC and includes any relevant implementing measures in each member state of the European Economic Area that has implemented Directive 2003/71/EC, as amended from time to time;
“Prospectus Rules”	the rules published by the FCA under the FSMA governing the publication of a prospectus, as derived from the Prospectus Directive;
“Purchasing Shareholder”	Candy Ventures SARL which intends to purchase 10,575,000 Existing Ordinary Shares from the Selling Shareholders, on the date of Admission, at a price of 5.0 pence per Existing Ordinary Share, and conditional upon the granting by the Company to Candy Ventures SARL of 1 Warrant for every 6.5 Existing Ordinary Shares purchased;
“QCA Guidelines”	the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance, as amended from time to time;
“Registrar”	Share Registrars Limited of Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL, the Company’s registrar;

“Satellite Solutions” or “SSW”	Satellite Solutions Worldwide Limited, a company incorporated in England and Wales with registered number 06759661, whose registered office is at Satellite House, 108 Churchill Road, Bicester, Oxon OX26 4XD;
“Selling Shareholders”	Courtney Investments Limited, Hargreave Hale AIM VCT 1&2, Peter Redmond, Adrian Beeston and Geoffrey Dart, who, in aggregate, intend to sell 10,575,000 Existing Ordinary Shares to the Purchasing Shareholder, on the date of Admission, at price of 5.0 pence per Existing Ordinary Share;
“SES”	SES Broadband Services S.A. of Château de Betzdorf, L-6815 Betzdorf, Grand Duchy of Luxembourg, a leading satellite operator;
“Share Dealing Code”	the code on dealing in the Company’s securities adopted by the Company that complies with the AIM Rules;
“Share Options”	the options to be granted on Admission (in place of the options granted under the SSW Share Option Scheme) to purchase Ordinary Shares, details of which are set out in paragraph 4 of Part 7 of this document;
“Shareholders”	holders of Ordinary Shares, from time to time;
“Sightpath Limited”	Sightpath Limited of 12 Walpole Crescent, Teddington, Middlesex TW11 8PH, a company receiving Fee Shares;
“SRG”	Sports Resource Group Limited, a company incorporated in England and Wales with registered number 04046907, whose registered office is at 2nd Floor, 18 Buckingham Gate, London SW1E 6LB, a company receiving Fee Shares;
“SSW Shareholders”	holders of SSW Shares;
“SSW Share Option Scheme”	the SSW option plan established by resolution of the board of directors of SSW on 6 March 2015;
“SSW Shares”	ordinary shares of £0.01 in the capital of SSW;
“Strand Hanson”	Strand Hanson Limited of 26 Mount Row, London W1K 3SQ, the Company’s financial and nominated adviser and a company receiving Fee Shares;
“Strand Hanson Fee Shares”	2,222,222 new Ordinary Shares to be issued fully paid to Strand Hanson, further details on which are set out in paragraph 12.4 of Part 7 of this document;
“Subscriber”	an investor to whom Subscription Shares are issued pursuant to the Subscription;
“Subscription”	the conditional subscription by the Subscribers of the Subscription Shares at the Subscription Price pursuant to the Subscription Letters;
“Subscription Letters”	the conditional agreements dated 29 April 2015 between the Company and each of the Subscribers, further details of which are set out in paragraph 12.2 of Part 7 of this document;
“Subscription Price”	4.5 pence per Subscription Share;

“Subscription Shares”	50,000,000 new Ordinary Shares to be issued by the Company and subscribed for pursuant to the Subscription;
“subsidiary” or “subsidiaries”	have the meanings given to them in the Act;
“Takeover Code”	the UK City Code on Takeovers and Mergers, as amended from time to time;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UKLA” or “UK Listing Authority”	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
“VAT”	value added tax;
“VCT”	Venture Capital Trust;
“ViaSat”	ViaSat, Inc. of 6155 El Camino Real, Carlsbad, CA 92009 USA, a producer of satellite and other digital communication products;
“Warrants”	the 1,626,923 warrants to subscribe for new Ordinary Shares, in aggregate, to be granted by the Company to the Purchasing Shareholder on Admission; and
“Warrant Instrument”	the instrument constituting the Warrants, further details on which are set out in paragraph 12.3 of Part 7 of this document.

## GLOSSARY

“cloud”	an internet-based development which uses computer technology stored on servers rather than the end user’s computer. End users access cloud-based applications through an internet enabled device such as a computer, smartphone or tablet while the business software and users’ data are stored on services at a remote location;
“failover”	a backup operational mode in which the functions of a system component (such as a processor, server, network, or database, for example) are assumed by secondary system components when the primary component becomes unavailable through either failure or scheduled down time;
“GB”	gigabyte – a unit of storage capacity for computer data and memory equal to one billion bytes;
“ICT”	information and communications technology;
“ISP”	internet service provider;
“LTE”	Long-Term Evolution, a standard for wireless communication of high-speed data for mobile phones and data terminals;
“Kbps”	kilobytes per second (thousands of bytes per second) – a measure of bandwidth (the amount of data that can flow in a given time) on a data transmission medium;
“Mbps”	megabytes per second (millions of bytes per second) – a measure of bandwidth (the amount of data that can flow in a given time) on a data transmission medium;
“MPLS”	multiprotocol label switching, a mechanism used within computer network infrastructures to speed up the time it takes a data packet to flow from one node to another. It enables computer networks to be faster and easier to manage by using short path labels instead of long network addresses for routing network packets; and
“SME”	small and medium enterprises.

## DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Rodger Sargent ( <i>Non-Executive Chairman</i> ) Simon McGivern ( <i>Non-Executive Director</i> ) Thomas ("Tom") Pridmore ( <i>Non-Executive Director</i> )
<b>Proposed Directors</b>	Andrew Walwyn ( <i>Chief Executive Officer</i> ) Francis ("Frank") Waters ( <i>Chief Financial Officer</i> )
<b>Company Secretary from Admission</b>	Ben Harber SGH Martineau Company Secretarial LLP One America Square Crosswall London EC3N 2SG
<b>Registered office from Admission</b>	Satellite House 108 Churchill Road Bicester OX26 4XD
<b>Nominated &amp; Financial Adviser</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Broker</b>	Arden Partners plc Arden House Highfield Road Edgbaston Birmingham B15 3DU
<b>Solicitors to the Company</b>	Charles Russell Speechlys LLP 6 New Street Square London EC4A 3LX
<b>Solicitors to SSW</b>	Fladgate LLP 16 Great Queen Street London WC2B 5DG
<b>Solicitors to the Nominated Adviser</b>	Walker Morris LLP Kings Court 12 King Street Leeds LS1 2HL
<b>Auditors and Reporting Accountants to the Company</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG
<b>Auditors to SSW</b>	Johnston Carmichael 227 West George Street Glasgow G2 2ND
<b>PR advisers to the Company</b>	Walbrook PR Ltd 4 Lombard Street London EC3V 9HD
<b>Registrar</b>	Share Registrars Limited Suite E, First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL

## PART 1

### LETTER FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

# CLEEVE CAPITAL PLC

*(incorporated in England & Wales under the Companies Act 2006 with registered number 9223439)*

*Directors:*

Rodger Sargent (*Non-Executive Chairman*)  
Simon McGivern (*Non-Executive Director*)  
Thomas ("Tom") Pridmore (*Non-Executive Director*)

*Registered Office:*

6 New Street Square  
London EC4A 3LX

*Proposed Directors:*

Andrew Walwyn (*Proposed Chief Executive Officer*)  
Francis ("Frank") Waters (*Proposed Chief Financial Officer*)

6 May 2015

*To Cleeve Capital PLC Shareholders*

Dear Shareholder,

**Acquisition of Satellite Solutions Worldwide Limited  
Change of Name to Satellite Solutions Worldwide Group PLC  
Subscription for up to 50,000,000 New Ordinary Shares at 4.5 pence per share  
Issue of Warrants  
Cancellation of Admission to the Standard Segment of the Official List  
and  
Application for Admission of the Enlarged Share Capital to trading on AIM**

#### 1. Introduction

On 19 December 2014, the Company was admitted to the Standard Segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities, and in the process raised gross proceeds of £3,235,000 through a placing of 107,833,333 Ordinary Shares. As set out in the Company's prospectus (which was published on 16 December 2014), the Company was formed to undertake an acquisition of a target company or business which ideally would have a technology, media or telecommunications focus.

The Company has since held discussions with various parties regarding possible acquisitions with a view to implementing its investment strategy. On 4 March 2015, trading in the Ordinary Shares was suspended following the announcement by the Company that it had entered into discussions for the possible acquisition of a satellite communications company. Although there is no requirement for Shareholder approval to be sought by the Company in relation to the proposed acquisition, if exchanged and completed, it would constitute a reverse takeover under the Listing Rules, and as the Company was unable to provide full disclosure required under Listing Rule 5.6.15 at that point in time, it requested a suspension of trading in its Ordinary Shares.

On 7 April 2015, the Company announced that it had conditionally agreed (pursuant to the signing of a non-binding heads of terms) to acquire the entire issued share capital of Satellite Solutions Worldwide Limited ("**SSW**") (the "**Acquisition**") and that it intended to apply for admission of the Ordinary Shares to trading on AIM ("**Admission**"). The consideration for the Acquisition will be £5.19 million, to be satisfied by the issue and allotment of 115,384,615 Consideration Shares, credited as fully paid, to the SSW Shareholders.

Accordingly, the Company has applied to the UKLA and the London Stock Exchange requesting cancellation of the admission of the Ordinary Shares to the Standard Segment of the Official List and to trading on the

London Stock Exchange's Main Market for listed securities. Pursuant to Listing Rule 5.2.8, on 16 March 2015, the Company announced that such cancellation was expected to take effect from 8.00 a.m. on 15 April 2015, being the day before the anticipated completion date for the Acquisition and Admission. Following a revision of the transaction timetable, the Company will announce on or before 8 May 2015 that cancellation will take effect from 4.30 p.m. on 11 May 2015, which is the business day before the revised completion date for the Acquisition and Admission.

The Company has received commitments from investors (which are unconditional, save for completion of the Acquisition and Admission) to raise £2.25 million (before expenses) (the "**Subscription**") which will be used, in conjunction with the Company's existing cash resources of approximately £3.35 million, for the furtherance of the Enlarged Group's strategy and for general working capital purposes. The Subscription and Acquisition are inter-conditional, however neither requires Shareholder approval as (i) the Company was granted sufficient authority to allot shares pursuant to the Subscription and Acquisition by way of a written resolution of Shareholders passed on 19 November 2014, (ii) the Listing Rules do not require a company with a Standard Listing to seek Shareholder approval to the cancellation of admission of its shares to trading on the Official List and (iii) the Listing Rules do not require the Company to seek Shareholder approval for the Acquisition.

This document, which comprises an admission document, sets out the background to and reasons for the Acquisition, Subscription and Admission and explains why the Directors consider that the Acquisition, Admission and Subscription are in the best interests of the Company and its Shareholders as a whole.

## **2. Information on SSW**

Information on SSW is set out in Part 2 of this document.

## **3. Summary of the principal terms of the Acquisition**

The Company has conditionally agreed to acquire the entire issued share capital of SSW. The consideration for the Acquisition is £5.19 million to be satisfied by the allotment and issue of 115,384,615 Consideration Shares, credited as fully paid, to the SSW Shareholders, at a price of 4.5 pence per Consideration Share. The Consideration Shares will be allotted and issued with full title guarantee and free from all liens, charges and encumbrances and together with all rights attaching to them at Completion including the right to receive all dividends and other distributions declared, paid or made after Completion.

On Completion, SSW Shareholders will hold, in aggregate, 37.4 per cent. of the Enlarged Share Capital of the Company.

Completion of the Acquisition is subject to the satisfaction of the Conditions.

Additional information relating to the Acquisition Agreement is set out in paragraph 12.1 of Part 7 of this document.

## **4. Reasons for Admission, the Subscription and use of proceeds**

The Company is proposing to issue 50,000,000 Subscription Shares at the Subscription Price to raise £2.25 million before expenses (approximately £1.80 million net of cash expenses).

The net proceeds of the Subscription, together with the Company's existing cash resources, will be used to continue to grow SSW's subscriber base organically and also through acquisition by consolidating the currently fragmented market across Europe.

The Subscription Shares will represent approximately 16.2 per cent. of the Enlarged Share Capital of the Company, be fully paid and rank equally in all respects with the Existing Ordinary Shares, the Consideration Shares and the Fee Shares (see paragraph 12 below), including in respect of payment of any dividends or other distributions declared, made or paid following Admission.

The Subscription is conditional on (i) completion of the Acquisition, (ii) the Company receiving the Subscription proceeds in full and (iii) Admission taking place on or before 12 May 2015. Further details relating to the Subscription are set out in paragraphs 12.2 and 12.4 of Part 7 of this document.

## 5. EIS/VCT status

The Company has obtained advance assurance from HM Revenue & Customs that it should be a qualifying company for EIS purposes and the Subscription Shares should be eligible shares under the VCT provisions. However, investors should be aware that, whilst advance assurance has been obtained from HM Revenue & Customs, the Directors and the Proposed Directors cannot guarantee that the Subscription Shares or the Company will satisfy, and will continue to satisfy, the requirements for tax relief under the EIS and/or VCT rules.

The continuing status of the Subscription Shares as qualifying for EIS and/or VCT purposes will be conditional on the qualifying conditions being satisfied throughout the relevant period of ownership.

None of the Company, the Directors, the Proposed Directors, Strand Hanson or Arden Partners give any warranty, representation or undertaking that any investment in the Company by way of Subscription Shares will be or will continue to be a qualifying investment for EIS and/or VCT purposes. EIS and VCT eligibility is also dependent on a Shareholder's own position and not just that of the Company. Accordingly, investors should take their own advice in this regard. Investors are also referred to the risk factors set out in Part 3 of this document.

## 6. Change of name, registered office address and accounting reference date

On 6 May 2015 the Directors resolved by Board resolution to (a) change the name of the Company to "Satellite Solutions Worldwide Group PLC", (b) change the registered office of the Company to Satellite House, 108 Churchill Road, Bicester, Oxon OX26 4XD, which is the current registered office address of SSW, and (c) change the accounting reference date of the Company to 30 November, with effect from Admission.

Upon the change of name being registered at Companies House, the Company's ticker symbol will be changed to SAT. With effect from Admission, the Company's website address will be changed to [www.satellitesolutionsworldwide.com](http://www.satellitesolutionsworldwide.com).

## 7. Directors and Proposed Directors

Brief biographies of the Directors and the Proposed Directors are set out in paragraph 8 of Part 2 of this document. Paragraph 7 of Part 7 of this document sets out further details of current and past directorships and certain other important information regarding the Directors and the Proposed Directors.

## 8. Strategy and future prospects of the Enlarged Group

The strategy of the Enlarged Group is set out in paragraph 5 of Part 2 of this document.

## 9. Lock-in and orderly market arrangements

Under the terms of the lock-in agreements, the Directors, the Proposed Directors and the Locked-in SSW Shareholders (the "**Locked-in Parties**") have agreed, conditional on Admission, that they will not (subject to certain exceptions) sell, transfer or dispose of, in the case of the Locked-in Parties save for Bob Squared Limited, Sightpath Limited and Thomas Pridmore, any interest in Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) until the expiry of 12 months from Admission and in the case of Bob Squared Limited, Sightpath Limited and Thomas Pridmore, any interest in, respectively 2,202,030, 2,202,030 and 166,667 Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) until the expiry of six months from Admission (together being the "**Locked-in Shares**"). In addition, the Locked-in Parties save for Bob Squared Limited, Sightpath Limited and Thomas Pridmore have agreed for a further period of 12 months after expiry of their 12 month lock-in period that, subject to certain exceptions they will only sell any interests in Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) through the Company's broker from time to time and on an orderly market basis. Bob Squared Limited, Sightpath Limited and Thomas Pridmore have agreed for a period of six months from Admission that, subject to certain exceptions, they will only sell those interests in Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) not being Locked-in Shares through the Company's broker from time to time and on an orderly market basis and for a further period of 12 months after expiry of their six month lock-in period that, subject to certain exceptions,



they will only sell any interests in Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) through the Company's broker from time to time and on an orderly market basis.

Those restrictions will not apply in certain limited circumstances which include, amongst others:

- the acceptance of a general offer for the whole of the issued share capital of the Company and the ability to provide an irrevocable undertaking to accept such offer; or
- a disposal by the personal representatives of a Locked-in Party on their death; or
- with the prior written consent of the Company, Strand Hanson or the Company's nominated adviser from time to time and Arden Partners (or the Company's broker from time to time).

The aggregate number of Locked-in Shares is 105,553,963 Ordinary Shares, representing approximately 34.3 per cent. of the Enlarged Share Capital. The aggregate number of Ordinary Shares held by the Locked-in Parties and subject to the orderly market arrangements specified above is 109,886,846 Ordinary Shares, representing approximately 35.7 per cent. of the Enlarged Share Capital.

## **10. Introduction Agreement**

The Company, the Directors, the Proposed Directors, Simon Clifton and Strand Hanson have entered into the Introduction Agreement under which Strand Hanson has, conditionally, agreed to act as the financial and nominated adviser to the Company for the purposes of the AIM Rules and to make an application, on behalf of the Company, for Admission. The Introduction Agreement is conditional upon, among other things, Admission occurring by 12 May 2015 and in any event by no later than 12 June 2015. The agreement contains warranties and indemnities from the Company, and warranties and indemnities from the Directors and the Proposed Directors. Strand Hanson may terminate the Introduction Agreement at any time before Admission if, among other reasons, any of the warranties is found to be untrue or inaccurate in any material respect. Further details of the Introduction Agreement are set out in paragraph 12.4 of Part 7 of this document.

## **11. Directors' Interests in the Acquisition**

Rodger Sargent is directly interested in 351 SSW Shares (being 1.7 per cent. of SSW's share capital) and under the terms of the Acquisition, Mr Sargent will receive 1,998,421 Consideration Shares. Accordingly, Mr Sargent has taken no part in the Board's consideration of the Acquisition.

Neither Simon McGivern nor Tom Pridmore has any direct or indirect interest in the Acquisition.

## **12. Fee Shares**

Admission will trigger the right of Bob Squared Limited, Sightpath Limited and SRG (being advisers to SSW) to be paid commission which they have agreed to accept by the allotment and issue of, in aggregate, 11,232,778 fully paid new Ordinary Shares. Details of the agreements governing the issue of the above Fee Shares are set out in paragraphs 12.7 and 12.8 of Part 7 of this document.

Strand Hanson is also entitled to the allotment and issue of 2,222,222 fully paid new Ordinary Shares on Admission, in accordance with the terms of its engagement letter with the Company and the Introduction Agreement.

Arden Partners is also entitled to the allotment and issue of 306,667 fully paid new Ordinary Shares on Admission, in part settlement of broking commission due in accordance with the terms of its engagement letter with the Company.

Tom Pridmore is also entitled to the allotment and issue of 166,667 fully paid Ordinary Shares on Admission, in accordance with the terms of his letter of appointment with the Company, further details of which are set out in paragraph 7.2(c) of Part 7 of this document.

Admission of the Fee Shares to AIM, which is conditional upon, *inter alia*, Admission, is expected to take place on 12 May 2015. The Fee Shares will represent approximately 4.5 per cent. of the Enlarged Share Capital, be fully paid and, when issued, rank equally in all respects with the Existing Ordinary Shares, the Subscription Shares and the Consideration Shares then in issue, including in respect of payment of any dividends or other distributions declared, made or paid following Admission.

### 13. Purchase of Existing Ordinary Shares and Issue of Warrants

In addition to the Subscription for new Ordinary Shares, the Company has arranged for the Purchasing Shareholder to purchase 10,575,000 Existing Ordinary Shares from the Selling Shareholders at a price of 5.0 pence per Existing Ordinary Share. Details on the number of shares sold and purchased by the Selling Shareholders and the Purchasing Shareholder, respectively, are set out below:

<i>Selling Shareholders</i>	<i>Number of Existing Ordinary Shares sold by the Selling Shareholder</i>	<i>Resulting shareholding in the Company following the sale of Existing Ordinary Shares</i>
Courtney Investments Limited	5,000,000	4,000,000
Hargreave Hale AIM VCT 1&2	3,500,000	2,222,223
Peter Redmond	800,000	1,700,000
Adrian Beeston	650,000	1,849,999
Geoffrey Dart	625,000	1,875,000
<b>Total</b>	<b>10,575,000</b>	<b>11,647,222</b>

<i>Purchasing Shareholder</i>	<i>Number of Existing Ordinary Shares purchased by the Purchasing Shareholder</i>	<i>Resulting shareholding in the Company following the purchase of Existing Ordinary Shares</i>
Candy Ventures SARL	10,575,000	33,623,832

Warrants over, in aggregate, 1,626,923 new Ordinary Shares with an exercise price of 1.0 pence per Ordinary Share have been granted to the Purchasing Shareholder. The issue of warrants represents a longer term financial commitment to the Enlarged Group by the Purchasing Shareholder and is driven by the fact that the Selling Shareholders wish to sell their Existing Ordinary Shares at a price of no less than 5.0 pence. The warrants have an exercise period of three years commencing on the date falling six months following Admission and on the terms of the Warrant Instrument.

### 14. Dividend policy

The nature of the Enlarged Group's business means that it is unlikely that the Directors and the Proposed Directors will be in a position to recommend a dividend in the first year following Admission. The Directors and the Proposed Directors believe that the Enlarged Group should seek to generate capital growth for its Shareholders and may recommend distributions at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

### 15. Share option schemes and new management incentives

The Company does not currently have a share option scheme in place.

SSW currently has in place the SSW Share Option Scheme under which options to subscribe for 1,200 SSW Shares were granted. As at the Disclosure Date, none of the aforementioned options have been exercised.

Accordingly, and conditional on Admission, the options granted under the SSW Share Option Scheme will be cancelled and new options will be granted by the Company to the former holders of options under the SSW Share Option Scheme on equivalent terms. The number of such new options and the exercise price of such new options will be determined by the implied valuation of SSW (as set out in the Acquisition Agreement). A total of 6,832,210 new Share Options is therefore expected to be issued, conditional on Admission, to the holders of options under the SSW Share Option Scheme in place of their existing options.

Exercise of the Share Options may be in whole or in part, at an exercise price of 1.9759 pence, and assuming the performance vesting criteria attached to the relevant tranche of the Share Options has been met.

Further details of the Share Options, including the performance vesting criteria attached to each tranche, is set out in paragraph 4 of Part 7 of this document.

From time to time, the Enlarged Board may, at its sole discretion, issue further share options in order to ensure that directors, senior management and other staff are properly motivated and rewarded, however at the current time, the Enlarged Board has no intention of doing so.

At any one time, shares under option will be limited in total to a maximum of 10 per cent. of the Company's issued share capital.

## **16. Corporate governance**

The Directors and the Proposed Directors recognise the value of good governance and intend, following Admission, to comply with the provisions of the QCA Guidelines insofar as possible for a company of the size and nature of the Company.

The Company has adopted a share dealing code for the Enlarged Board and certain senior employees of the Enlarged Group which is in conformity with the requirements of Rule 21 of the AIM Rules for Companies. The Company will take steps to ensure compliance by the Enlarged Board and applicable employees with the terms of such code.

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

The Company intends to establish an audit committee, a remuneration committee and a nomination committee with effect from Admission. Details of the committees are set out below.

### ***Audit committee***

The Company intends to establish an audit committee, comprising Rodger Sargent and Simon McGivern. The audit committee will be chaired by Rodger Sargent and will meet at least twice each year following Admission. The audit committee's responsibilities will include ensuring that appropriate financial reporting procedures are properly maintained and reported on, and for meeting with the Company's auditors and reviewing their reports and accounts and the Company's internal controls.

### ***Remuneration committee***

The Company intends to establish a remuneration committee, comprising Rodger Sargent and Tom Pridmore. The remuneration committee will be chaired by Rodger Sargent and will meet at least twice each year following Admission. The remuneration committee's responsibilities will include reviewing the performance of the executive directors, setting their remuneration levels, determining the payment of bonuses and considering the grant of options under the share option schemes.

### ***Nominations committee***

The Company intends to establish a nominations committee, comprising Rodger Sargent, Tom Pridmore and Andrew Walwyn. The nominations committee will be chaired by Rodger Sargent and will meet at least once each year following Admission. The nominations committee's responsibilities will include reviewing the structure, size and composition of the Enlarged Board, succession planning and nominating candidates to fill board vacancies and evaluating the performance of the Enlarged Board.

## **17. Admission, settlement and CREST**

In anticipation of completion of the Acquisition (which is conditional upon the Subscription becoming unconditional save for completion of the Acquisition and Admission) and the Subscription (which is conditional upon completion of the Acquisition and Admission), application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM.

Prior to the intended date of completion of the Acquisition and Admission, the Company will have applied to the UKLA for cancellation of admission of the Ordinary Shares to the Standard Segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities ("**Cancellation**") to take effect at 4.30 p.m. on the dealing day before the intended completion of the Acquisition and Admission.

Cancellation and Admission of the Enlarged Share Capital are expected to take place on 11 May 2015 and 12 May 2015, respectively.

The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in Ordinary Shares (including the Consideration Shares, the Subscription Shares and the Fee 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 certificates will be able to do so.

It is expected that, subject to the satisfaction of the Conditions, the Consideration Shares will be registered in the names of the SSW Shareholders and issued either:

- in certified form, where the SSW Shareholders so elect, with the relevant share certificate expected to be despatched by post, at their risk, by 26 May 2015; or
- in CREST, where the SSW Shareholders so elect and only if they are a system-member (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Consideration Shares subscribed for expected to take place on 12 May 2015.

Notwithstanding the election by the SSW Shareholders as to the form of delivery of the Consideration Shares, no temporary documents of title will be issued. All documents or remittances sent by or to the SSW Shareholders or as they may direct will be sent through the post at their risk.

Pending the despatch of definitive share certificates (as applicable), instruments of transfer will be certified against the register.

## **18. Regulatory rights and obligations**

### ***Disclosure and Transparency Rules***

Shareholders are required to comply with DTR 5 of the Disclosure and Transparency Rules and to notify the Company when they acquire or dispose of a major proportion of their voting rights of the Company (either as Shareholder or through their direct or indirect holding of certain financial instruments, or a combination of such holdings) such that their resulting holding is equal to or in excess of three per cent. of the aggregate nominal value of the Company's issued share capital and when their relevant shareholding exceeds or falls below four per cent., five per cent. and every subsequent integral percentage.

### ***Takeover Code***

The Takeover Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive. Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules set out in the Takeover Code now have a statutory basis.

The Company is a public limited company incorporated in England & Wales and will be admitted to trading on AIM. Accordingly, the Takeover Code will apply to the Company.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all the shareholders of that company to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company and does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage

of shares carrying voting rights in which he is interested, a general offer will normally be required in accordance with Rule 9.

An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and at not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

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

## **19. Related parties**

Details of the historical related party transactions entered into by the Company are summarised in paragraph 6 of Part 4 of this document.

## **20. Taxation**

Information regarding certain taxation considerations in the UK is set out in paragraph 13 of Part 7 of this document. These details are, however, intended as a general guide to the current position under UK taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser immediately.

## **21. Additional Information**

Your attention is drawn to the information on SSW set out in Part 2, to the Risk Factors set out in Part 3, to the financial information on Cleeve Capital PLC and SSW in Parts 4 and 5 respectively, to the pro forma statement of net assets of the Enlarged Group in Part 6 and to the additional information contained in Part 7 of this document.

Yours sincerely

Simon McGivern and Tom Pridmore  
*Independent Non-Executive Directors*

## PART 2

### INFORMATION ON SSW AND THE ENLARGED GROUP

#### 1. Introduction

SSW is a leading provider of satellite broadband services to consumer and business users in the UK and Europe, with a track record of organic growth in subscribers to its services and recurring revenues. The Directors and Proposed Directors believe there is a significant opportunity to continue to grow SSW's subscriber base organically and also through acquisition by consolidating the currently fragmented market across Europe.

Consumers and businesses are increasingly reliant on the internet and, in particular, fast access to the internet. Across Europe, there are an estimated nearly 20 million households who cannot access even slow broadband speeds due to limitations in the telecommunications infrastructure in their geographical location. These people are part of what has been called the 'digital divide'.

The significance of broadband development and its importance for a network-based knowledge society has been recognised by the European Commission's "Europe 2020" strategy, which concludes that in order to reap the full benefits offered by ICT and to keep up with other international markets, Europe needs widely available and competitively-priced fast and ultra-fast internet access. Among the 13 specific goals set in the European Commission's "Digital Agenda", the further development and extension of broadband coverage in Europe is explicitly emphasised, with the aim of achieving coverage of broadband above 30 Mbps across each member state by 2020 and 50 per cent. of households in the EU to be subscribed to broadband above 100 Mbps by 2020.

Despite the abovementioned demand and political will across Europe for fast broadband, the high costs of upgrading fixed line broadband infrastructure (including digging up roads, laying fibre optic wiring, etc.) means that in many locations it is not commercially viable for fixed line broadband operators to invest in providing broadband. As a result, the vast proportion of public money that has been spent on fixed line broadband upgrade projects has been focused only on those homes and businesses that are commercially viable to service. This therefore provides a significant opportunity for satellite broadband services to bridge the 'digital divide'.

Close to 20 million homes and businesses across Europe are not expected to be able to access broadband speeds of more than 2 Mbps for the foreseeable future via fixed line broadband networks. 2 Mbps is the minimum broadband speed threshold required to access quality online content and fast growing services (such as video-on-demand, TV catch-up portals (e.g. BBC iPlayer or YouTube). Premises or locations with less than 2 Mbps speed broadband are, in most cases, limited to basic email services and slow web browsing. This is, surprisingly, not just a rural issue. In fact, a significant percentage of SSW's UK customers live in urban areas which, despite a roll-out of fixed line broadband infrastructure, are in a coverage black spot or at the end of the fixed line exchange where speeds are low and/or highly variable.

SSW, through its Europasat brand, is addressing this situation in conjunction with European satellite operators by providing the ability to access fast broadband services via satellite to specifically target people in the 'digital divide'. SSW can deliver up to a 22 Mbps satellite based broadband service to almost any premises (whether residential, commercial or industrial) in Europe, irrespective of location or local infrastructure.

By attaching a satellite dish (of a similar size to dishes used for satellite TV purposes) to the outside of the premises which is connected to an indoor modem, SSW's broadband offering presents a customer experience that is similar to that offered by wired broadband and the connection can be shared in the normal way with PCs, tablets and smart-phones via a normal wired or wireless router.

SSW purchases broadband capacity from three European satellite companies (namely Eutelsat, SES and Avanti), sells or rents to the end user the necessary hardware to access the internet (and installs the necessary equipment, if requested) and then provides an ongoing satellite broadband service on the terms of an airtime tariff selected by the customer. The tariffs are structured in such a way as to suit all types of users.

- Eutelsat is a leading satellite operator in Europe, the Middle East and Africa, with a market capitalisation of approximately €7 billion;



- SES is a world-leading satellite operator, providing reliable and secure satellite communications solutions to broadcast, telecom, corporate and government customers worldwide. SES has a market capitalisation of approximately €17 billion;
- Avanti sells satellite data communications services to telecoms companies which use them to supply enterprise, institutional and consumer users. Avanti has a market capitalisation of approximately £300 million.

The Directors and Proposed Directors believe that SSW is the only European satellite broadband company that has agreements with Eutelsat, SES and Avanti and therefore is able to offer maximum coverage and customer choice. SSW is also in discussions with a number of other satellite operators in order to broaden its customer reach.

SSW has three sales channels for its service offering: (1) Direct-Online – via Europasat’s multi-lingual, multi-currency web application; (2) Direct-Call Centre (inbound/outbound); and (3) Indirect-Re-seller Channels – tiered European wide distribution agreements facilitated by SSW’s management platform. Further information on each of these channels is set out in paragraph 3 below.

SSW uses a proprietary technology platform (known as the Europasat Technology Integration Platform or ETIP) which is a multi-lingual back office provisioning, support, marketing and billing system linked in real-time to the satellite owners’ back-end systems. This system in turn facilitates and supports advanced customer, reseller and sub-reseller portals meaning SSW’s services are accessible, supported and manageable online, seamlessly with the networks. A customer is therefore able, under normal circumstances, to access his or her system at all times throughout the year to check performance, view usage statistics, purchase additional data and change tariffs.

## **2. History and background**

SSW was founded in November 2008 by Andrew Walwyn. He and the other directors of SSW all have a background in satellite and/or mobile communications and understood the importance for consumers and businesses in having access to fast internet speeds irrespective of their geographic location. They knew that despite the wired broadband providers’ publicity, there would likely be large numbers of consumers and businesses in the UK who were not going to be serviced adequately by the wired or cellular 3G/4G networks, and this was a gap that could be filled by satellite broadband.

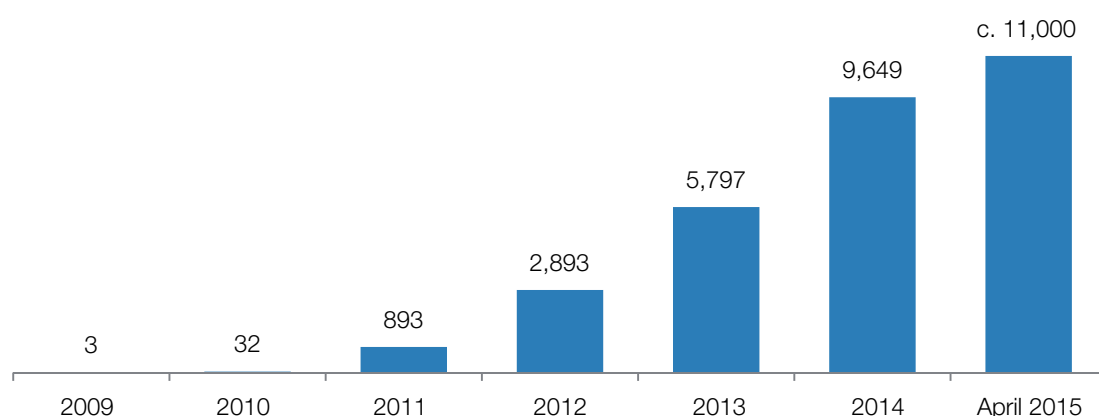
Since the formation of SSW, the team has established that a similar unserved or underserved gap exists in many European countries and SSW is now active in 32 countries.

### ***SSW timeline and milestones***

November 2008	SSW founded
February 2009	First distribution agreement signed for Ku band Eutelsat Tooway services (maximum speed of 2 Mbps download, 256 Kbps upload)
March 2009	Launch of SSW website designed to market satellite broadband with a full e-commerce offering; the Directors and Proposed Directors believe that SSW was the first company in Europe to do this
July 2009	Launch of online customer portal to give customers access to their account and the ability to alter their service offering; again the Directors and Proposed Directors believe that SSW was the first company in Europe to do this
October 2010	Launch of ToowayDirect.com, a dedicated site focused on Eutelsat’s Tooway brand
November 2010	Launch of Ka Sat, first Ka band satellite over Europe – significantly improved speeds over Ku band technology
June 2011	Signed distribution agreement with Eutelsat for new Ka band Tooway services across Europe (maximum speeds of 10 Mbps download, 4 Mbps upload)

April 2013	Signed distribution agreement with SES for their new Ka band network
May 2013	SSW's European offering rebranded as Europasat reflecting multi-network, independent proposition (maximum speeds of 20 Mbps download, 6 Mbps upload)
May 2013	Signed distribution agreement with Avanti for their Ka band network
March 2014	Further speed increase to a maximum of 22 Mbps download, 6 Mbps upload
December 2014	10,000th customer connected
January – March 2015	Ongoing discussions with a number of possible acquisition targets which the Enlarged Group intends to continue, and complete where appropriate, following Admission

**Figure 1: Active customer numbers at the end of each financial year (30 November)**

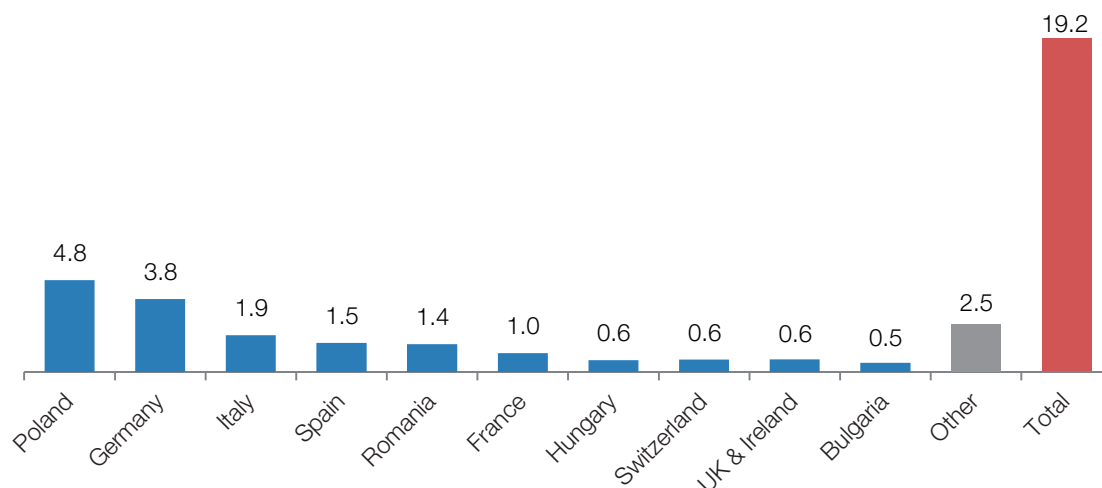


### 3. Market Overview

#### **European Market Overview**

The addressable market for satellite broadband is typically defined as those households that have access to the internet at a speed measured to be less than 2 Mbps. The size of this market varies between countries, but, in aggregate, is estimated to encompass approximately 20 million households within Europe. Whilst this only represents approximately 9 per cent. of the total households in Europe, it presents a valuable segment of the overall broadband market that is currently unserved or underserved by the traditional wired broadband providers.

**Figure 2: The addressable market opportunity – European markets with household broadband speeds less than 2 Mbps (Number of households, in millions)**





## **Sales Channels**

SSW has a wide range of broadband packages and tariffs designed to appeal to as many different groups of customers and vertical markets as possible. There are solutions for the typical homeowner, the second homeowner, small and large businesses, broadcasters, the police and the military. The technology and the physical equipment at the customer's premises are, however, very similar and in most cases, only vary by the satellite network chosen. The way the user interacts with the product at the point of consumption is controlled by SSW at the network level.

SSW has three main sales channels:

- Direct-Online – Via Europasat's multi-lingual, multi-currency web application:
  - Customers purchase the service directly from Europasat's website.
- Direct-Call Centre (inbound/outbound)
  - Customers purchase the service through SSW's call centre located in Bicester.
- Indirect-Re-seller Channels – Tiered Europe wide distribution agreements facilitated by SSW's ETIP. Reseller customers are facilitated in one of two ways:
  - Customers purchase services from one of SSW's approved resellers. Resellers purchase the satellite broadband receiving hardware from SSW. Resellers offer the same pricing as that on offer to direct sale customers. SSW manages the customer relationship (e.g. billing and customer support) while the reseller receives an ongoing commission from SSW for the length of time that each customer remains with SSW.
  - Customers purchase services from one of SSW's approved resellers, who purchase the satellite broadband receiving hardware and airtime wholesale from SSW. Resellers are able to set their own pricing and manage the customer relationship (including billing).
- The remaining sales occur through SSW's Business to Business offering, further information on which is provided below.

## **Customer Segments – Business to Consumer (B2C)**

The increasing demand for fast broadband means that a 'land grab' opportunity exists across Europe. In many European countries the incumbent telecommunication companies and governments have spent the last five years investing in telecommunications infrastructure upgrades and fibre roll outs, and it is now becoming clear to households whether they have benefited or not from this process. For those households that are now discovering they have been 'passed over' by this upgrade, decisions need to be taken on how they are going to access the internet in future.

The Directors and Proposed Directors believe that an opportunity exists for SSW to grow across Europe as consumer demand to access the internet (and associated services) at a fast speed continues to increase over the coming years. For those in the 'digital divide' satellite broadband is viewed as the only alternative where wired solutions and 3G/4G connections (which are dependent on the local wired infrastructure) are either not present, or of insufficient signal strength, to support fast access. This opportunity is expected to grow as fibre rollout programmes in various European countries comes to completion, and consumers acknowledge that fibre broadband is unlikely to reach their homes or businesses in the near future or at all.

The Directors and Proposed Directors believe SSW is well placed to capitalise on this opportunity as a result of the cumulative investment made by SSW in the product and service offering and its established presence in the market.

## **Customer Segments – Business to Business (B2B)**

SSW has also developed a suite of products tailored towards larger businesses that often require high throughput, temporary, non-standard, failover or mobile connectivity.

As part of this, SSW has developed a product in conjunction with the BBC specifically for broadcasters. SSW's Broadcaster Platform enables larger businesses to take control of their changing connectivity

requirements by enabling each remote terminal to individually log into SSW's customised online portal, wherever they are located in the satellite 'footprint', and to configure their precise bandwidth upload/download requirements for each remote terminal deployment.

Customers estimate how much bandwidth they need for each project, but crucially, are only charged for the time they use it. This provides a significant cost saving over the traditional mobile broadcasting or satellite uplink truck alternatives. SSW's hardware is also typically smaller, lighter and cheaper than some alternatives thereby enabling news crews, for example, to be dispatched quickly and more cost effectively to a 'breaking news' story without the need for dedicated support vehicles.

Another division of SSW is devoted to providing bespoke satellite communications services, such as those typically used by the police and military, where data security and connection quality are very important. Services such as off-internet routing and private circuit connections allow users to route their internet traffic straight from the remote terminals to the satellite and then into their own or corporate MPLS networks.

SSW is also active in the traditional satellite broadband vertical markets with its B2B "Pro" offerings. These include civil engineering, infrastructure projects, remote intensive agriculture, energy and renewables.

Whilst SSW's B2B offering is relatively small in terms of customer numbers, it typically offers a higher margin than B2C channels due to the complexity of product offering and provides a useful reference point for the capability and robustness of the technology for new customers, thereby helping to increase sales in all sectors.

Selected examples of some of SSW's larger business and enterprise customers include BBC News, Sky News, CNN, UK Ministry of Defence, UK Police, E.ON and BHP Billiton.

Enterprise and broadcasting B2B sales is an area of the business that SSW is actively looking to expand.

### **Competition**

Aside from provision of broadband via wire, the other mainstream alternative to satellite broadband is accessing the internet via mobile data services, such as 3G/4G and LTE. Whilst it could therefore be argued that mobile data services are a direct competitor to satellite broadband, in practice they do not currently deliver a robust or reliable enough service to allow a business, or someone working from home, to rely on outside the centres of the main cities, where wired broadband would almost certainly be available anyway. This is because the delivery of a 3G/4G or LTE signal is dependent upon the local cellular tower being directly connected to fast wired broadband infrastructure which, by default, is unlikely to be available if the user is attempting to connect via a 3G/4G signal.

There is also the potential for competition from the provision of broadband via wide area radio networks or mesh radio technology. These services can deliver speeds of up to 70 Mbps, and work through beaming a wireless signal between masts that have been erected in a pre-determined area. Users within the area covered by the masts can then access the internet and carry out associated activities wirelessly. The infrastructure required to operate this technology is, however, expensive and the cost to access the service is dependent on the number of users, although as the number of users increases the speed of the connection decreases. The commercial viability of this technology in any given area is therefore not guaranteed, and the SSW directors are aware of several suppliers of the technology, including a number of those in the Scottish Highlands and Islands, have ceased trading due to lack of financial return.

Finally, in terms of competition from other satellite broadband providers, there are a number of distributors within Europe that offer a similar service to SSW. The Directors and Proposed Directors, however, believe that a number of these distributors do not currently have sufficient scale or footprint, or view the provision of satellite broadband as a non-core activity to their business, thereby creating an opportunity for the Enlarged Group to potentially partner in certain strategic markets, and/or acquire a number of these companies and/or their subscriber bases as part of its roll-up strategy, and therefore consolidate the competition.

#### **4. How the technology and product offering works**

SSW works closely with satellite owners Eutelsat and SES and, more recently, with Avanti, who also build and control the orbit of the satellites, to establish broadband services and identify customers who would be suitable to utilise the broadband capacity provided by these satellites.

SSW's involvement with the satellite companies is to provide all the ground services associated with the provision of satellite broadband, including market creation, customer identification, pre and post-sales support, product installation (through selected third party installers), billing and complimentary services (e.g. Google Apps). SSW purchases capacity on the appropriate provider's satellite, as and when a customer order is placed, and then provides the required hardware to the customer (which can either be hired/leased, or purchased outright from SSW by the customer) to access this broadband capacity.

The satellite owners do not generally seek to have direct relationships with the ultimate end users of their services and therefore SSW is not in direct competition with them, and rather seeks to work in conjunction with them to service the end user.

Due to the wide coverage that satellites offer, SSW can deliver a pan European product offering, which is fulfilled and supported mainly online, with the remainder of queries handled by SSW's Bicester based telephone support centre. Whereas traditional broadband providers rely on physical internet 'points of presence' on the ground across the country to route their connections at the 'edge' of the network back to the 'core' of the network, broadband provision via satellite is able to deliver an almost identical service (speed, capacity, etc) and associated tariff across the entire 'footprint' of the relevant satellite.

SSW currently offers customers a choice of three different satellite networks: Eutelsat, SES and Avanti. All are based on the Ka band satellite spectrum, which was first introduced in 2010 and has allowed the mainstream provision of satellite broadband due to the vastly superior speeds and lower costs that it offers in comparison to previous satellite spectrum offerings (such as Ku band). Other satellite owners are expected to launch Ka band satellites over the next 3-5 years and this should increase competition in the market, drive down the wholesale costs of airtime and ultimately allow SSW and the networks it works with to offer lower tariffs to its existing and prospective customers. SSW is already in discussions with a number of these satellite operators with a view to commercialising their services where applicable as and when they become available.

Each of the three current providers to SSW has a different 'footprint' across the various European countries and therefore may be able to provide a superior service to the other two in certain areas, although there is significant overlap. The SSW support team (which is available seven days a week) ensures that the appropriate satellite provider and accompanying tariff has been chosen by the customer either during, or following, the point of purchase.

The satellite broadband industry business model is structured along similar lines to that of the mobile phone sector. The customer requires a piece of hardware to access the service, and the more the customer commits to pay SSW per month, the greater the broadband speed and capacity are offered to them, and the cheaper their upfront equipment costs. Following the initial order, tariffs can be upgraded and varied by the customer throughout the contract term (typically an initial two year term followed by a rolling monthly renewal). At the present time the Directors and Proposed Directors believe there exists significant spare capacity within the satellite fleets for a much larger numbers of customers, while competition between satellite owners serves to keep the wholesale cost of the capacity in proportion to (albeit typically still more expensive than) a wired broadband offering. However, the nature of satellite broadband coverage means that whilst there is excess capacity overall, in specific locations certain satellites can have very limited availability if their capacity is already full or in the peripheral areas of satellite coverage. SSW seeks to maximise availability to its customers by having relationships with a range of satellite broadband providers.

In terms of the physical installation of the satellite dish, this can be done in one of two ways; either by the end user using SSW's professionally developed self-install DVD walk-through and tools most homeowners would have to hand, or alternatively, SSW offers a professional installation service for customers in the UK through selected third party installers. Customers can choose to buy equipment outright, or alternatively lease it, from SSW. SSW also offers a short term hire service for use at, amongst other things, exhibitions, conferences, sporting events and at disaster recovery sites.

In certain countries and markets outside of the UK (for example, Portugal), SSW has local language speaking support consultants based in the country but the need for this is limited as the majority of the support system operates on a multi-lingual basis over the internet and through centralised systems and infrastructure.

## **5. Strategy of the Enlarged Group**

SSW is an established satellite broadband ISP with a six year track record of penetrating new markets, growing organic sales, and steadily increasing and retaining a geographically diverse customer base with a low estimated churn rate of approximately 10 per cent. per annum, with a target of approximately 7 per cent. in the near term as a result of SSW's operating methodology and satellite networks launching new, more flexible tariffs which enable customers to remain with a chosen supplier if their needs change. SSW has a proven business model, management expertise and established commercial relationships in place which the Directors and Proposed Directors believe will enable the Enlarged Group to become a leading player in the continuing growth and consolidation of this market.

The Acquisition and Subscription, along with the Company's existing cash resources, will allow the Enlarged Group to execute this strategy both through the organic growth of the customer base, and through carefully selected acquisitions to increase both subscriber numbers but also to assist the Enlarged Group in obtaining a better foothold in key growth markets.

The Enlarged Group intends to pursue a "roll-up" strategy, which is one of the principal reasons behind the Acquisition and Admission. SSW has been involved in advanced talks and conducted due diligence on a number of potential acquisition targets prior to commencement of the Acquisition and Admission process, and it is intended that following Admission, the Enlarged Group will continue such discussions and complete the acquisition, where commercial terms can be agreed, of one or more of these potential targets with part of the net proceeds of the Subscription.

The Directors and the Proposed Directors have identified a number of other potential acquisition targets throughout Europe and believe, for a range of factors, that in some cases the owners of these target assets may be willing sellers. This may be as a result of the target company/asset not being able to reach 'critical mass' in terms of the number of users required to be profitable on an ongoing basis, or for others the asset may now be viewed as a non-core business as a result of changing objectives, or it may be due to the owners lacking the required capital to invest in the asset to develop the tools and systems to take the business to the next stage.

The Directors and Proposed Directors are confident in their ability to execute this "roll-up" strategy as a result of their past experience in successfully acquiring the subscriber base of Broadband Algarve (approximately 200 users, completed in June 2014), SSW's existing relationship with three of the European satellite operators (meaning that any customer migration will not involve a change of hardware) and the nature of the operation of the satellite networks, meaning that it is relatively straightforward to integrate and support customers in other countries. Further, as SSW already supports customers in many European countries through its multi-lingual, multi-currency back office billing, provisioning and support systems, integrating a new customer base is more straightforward than it would be otherwise.

It is intended that further acquisitions will be funded by way of cash consideration and/or through the issue of new Ordinary Shares to the seller(s), subject to the Company having sufficient cash resources and/or sufficient shareholder authority in place at the time of the acquisition(s).

Assuming successful execution of this strategy, the Enlarged Group intends to seek to become the leading satellite ISP in Europe by the end of 2017 with approximately 100,000 customers. The Enlarged Group also has early stage ambitions of targeting selected countries outside Europe, including Australia, India and certain African countries in conjunction with satellite owners.

## 6. Financial Information

Part 5 of this document contains audited historical financial information on SSW for the years ended 30 November 2014, 30 November 2013 and 30 November 2012.

The following financial information on SSW has been derived from the financial information contained in Part 5 of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information.

£'000	Financial year ended		
	30 Nov 2012	30 Nov 2013	30 Nov 2014
Revenue	2,921	4,088	5,453
Revenue growth	146%	40%	33%
Gross profit	607	1,001	1,425
Gross profit margin	21%	24%	26%
EBITDA <sup>(1)</sup>	(222)	(123)	(46)
EBITDA margin	(8%)	(3%)	(1%)
Loss before taxation (LBT)	(223)	(130)	(61)
Net cash flow from operating activities	166	(9)	(81)
Net assets	(311)	(441)	(502)

<sup>(1)</sup> Calculated as LBT, plus depreciation of fixed assets, plus investments write off, less other non-cash gains

SSW commenced trading in 2008 and revenues have grown rapidly, increasing almost fivefold since 2011. SSW's revenue split is currently approximately 90 per cent. business to consumer/home office worker (B2C), with the remaining approximate 10 per cent. being the more traditional corporate business to business (B2B).

Gross profit margin has increased year-on-year and remains a key area of focus. However, the business has operated slightly below break-even overall as resources have been focussed on growing the subscriber base and revenues, and on investing in the systems to facilitate such growth as well as investing in the infrastructure to enable the business to operate in various European territories.

SSW has no borrowings and has not paid any cash dividends to date. Net assets as at 30 November 2014 stood at negative £502,000.

## 7. Current Trading and Prospects

Trading in the four months ended 31 March 2015 was in line with management expectations. As compared to the same four month period last year, SSW has increased revenue and gross profit by 29.5 per cent. and 30 per cent., respectively, and added 937 net new subscribers. The focus for the rest of the current financial year is on continuing the growth in net new subscriber numbers, extending the broadband offering to include television and telephony services and increasing profit margins.

As set out in paragraph 5 of this Part 2, SSW has been involved in advanced talks and conducted due diligence on a number of potential acquisition targets prior to commencement of the Acquisition and Admission process, and it is intended that following Admission, the Enlarged Group will continue such discussions and complete the acquisition, where commercial terms can be agreed, of one or more of these potential targets with part of the net proceeds of the Subscription.

## 8. Directors, Proposed Directors, Senior Consultant and Senior Adviser

**Andrew Roy Walwyn**, aged 46 (*Proposed Director – Chief Executive Officer*)

Andrew began his career at Carphone Warehouse before moving to DX Communications as Sales Director. Following the sale of DX to Telefonica, Andrew took on the role as Managing Director of Tiny Computers where he oversaw the sale of the ISP business to Tiscali and the eventual sale of the company to Time Computers. In 2008, Andrew co-founded SSW having identified the gap in the market for satellite broadband.

**Francis (“Frank”) Vincent Waters**, aged 49 (*Proposed Director – Chief Financial Officer*)

Frank qualified as a Chartered Accountant (ICAS) with Ernst & Young in 1989. Frank has spent the last 20 years, primarily as finance director, in a number of fast growing entrepreneurial companies in the mobile, consumer electronics and technology sectors. Frank has been actively involved in a number of corporate finance transactions and more recently responsible for the negotiation of substantial network contracts whilst at Redeem Limited, the mobile phone recycler. Frank was instrumental in the sale of DX Communications alongside Andrew Walwyn to what is now Telefonica.

Frank joined SSW in the autumn of 2013 and, as Chief Financial Officer, is and will continue to be responsible for finance, legal, regulatory, logistics and operational matters.

**Rodger David Sargent**, aged 43 (*Non-Executive Chairman*)

Rodger has been the founder and finance director of a number of quoted and private companies over the past 15 years, including Sports Internet Group plc, Hydrodec Group plc, AudioBoom Group plc and Litebulb Group Limited. He previously ran the family office of Betfair founder, Andrew Black. He qualified as a chartered accountant with PricewaterhouseCoopers, London in 1996.

**Simon Philip McGivern**, aged 41 (*Non-Executive Director*)

Simon McGivern is the CEO of Litebulb Group Limited, an AIM quoted consumer brands and solutions company, a position he has held since founding the company in 2008. During this time, apart from fulfilling his normal CEO duties, he has led six acquisitions, the admission to AIM in 2010 and fundraisings of over £10 million.

Previously, he was CEO of Locca Tech Limited, responsible for strategy and business development, and a fund manager at Panmure Gordon.

**Thomas (“Tom”) Clifford Pridmore**, aged 43 (*Non-Executive Director*)

Tom Pridmore began his career as a solicitor at Norton Rose, specialising in corporate finance, where he acted on behalf of institutional clients in relation to a variety of corporate finance and M&A activities. Tom then joined Flextech/Telewest plc as Head of Corporate Strategy, where he was responsible for directing investment into strategic internet and interactive television companies.

In 2000, Tom co-founded the international fund manager and investment adviser Development Capital Management Limited. In this capacity he has set-up and managed real estate investment and development operations in Turkey, India, North Africa, Eastern Europe and the UK on behalf of both institutional and private clients. Most recently, Tom joined the Board of Mithril Capital plc, another special purpose acquisition company with a focus on the natural resources sector.

**Senior Consultant**

**Simon Clifton**, aged 53 (*Chief Technology Officer*)

Simon has ten years’ experience in satellite communications and satellite broadband product development and was a co-founder of SSW. His responsibility will be to keep the Enlarged Group at the forefront of product and technical development and competence to seek to ensure that the Enlarged Group’s products are cutting edge and provide added value.

Prior to SSW, Simon worked as Head of Finance for Phones International Group, where he was mainly responsible for systems and IT, particularly with regards to setting up and maintaining a multi-currency international trading and logistics platform.

**Senior Technical Adviser**

**Tom Moore**

Tom is a managing director at TimesArrow Capital, LLC and a Senior Vice President of ViaSat, Inc. Tom has spent much of his career involved in the development of video, voice and data broadband technology for the satellite, wireless and cable television industries. During the 1990s, Tom played an important role in the creation of patented technology supporting what is known as a DOCSIS™ cable modem. This specification became a global International Telecommunication Union (ITU) standard with over 100 million modems deployed worldwide by manufacturers such as Motorola, Cisco, Toshiba, Samsung and Broadcom.



In 1998, Tom co-founded WildBlue Communications with the purpose of extending the DOCSIS™ technology into the satellite world and thus making the benefits of broadband available to the 15-20 million homes in the US that would not receive it otherwise. WildBlue became the second largest satellite-based broadband service provider in the world, serving over half a million consumers and small businesses without alternative access to broadband technologies such as Digital Subscriber Line (DSL) and cable modem. The company built and launched three of its own special purpose satellites and deployed a nationwide consumer service.

WildBlue was acquired by ViaSat, Inc. in 2009, where Tom became a Senior Vice President responsible for the company's worldwide consumer, enterprise, and mobility service businesses with partners and customers including Dish Network, DirecTV, JetBlue, United Airlines, and Eutelsat. In 2013, Tom stepped away from his worldwide service responsibilities to focus attention on ViaSat merger and acquisitions and strategic planning and also to devote more time to TimesArrow Capital, LLC (a private investment firm based in Colorado).

Tom is currently serving on the Board of the Telecommunications Program at the University of Colorado and the Board of Silicon Flatirons in conjunction with the University of Colorado School of Law. Tom is also on the steering committee of the Blackstone Entrepreneurs Network of Colorado and in the past has served as a founding member of Governor Ritter's Colorado Innovation Council and as a member of Governor Hickenlooper's Colorado Communications Executive Roundtable.

Tom holds a master's degree in business administration with distinction from Harvard Business School and a master's degree in telecommunications engineering (with honors) from the University of Colorado.

## PART 3

### RISK FACTORS

**The investment proposition detailed in this document may not be suitable for all its recipients and involves a higher than normal degree of risk. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.**

**An investment in the Company constitutes a high risk investment and prospective investors should carefully evaluate the factors below. An investment in the Company should be regarded as speculative and, given the inherent illiquidity of the Company's proposed underlying assets, should be considered long term in nature and as suitable only for sophisticated investors who understand the risks involved including the risk of a total loss of capital.**

In addition to the other relevant information set out in this document, the Directors and Proposed Directors consider that the following specific risk factors, which are not set out in any particular order of priority, should be taken into account when evaluating whether to make an investment in the Company:

#### **1. Risks relating to the operations and industry sector of the Enlarged Group**

##### ***Dependence on key executives***

The performance of the Enlarged Group will depend heavily on its ability to retain the services of the Enlarged Board and to recruit, motivate and retain further suitably skilled personnel. The loss of the services of key individuals may have an adverse effect on the business, operations, customer relationships and results.

##### ***Dependence on satellite owners and satellite infrastructure***

SSW is dependent on its ability to purchase broadband capacity from satellite owners. The terms upon which satellite owners sell such capacity may change to SSW's detriment and SSW may not be able to secure capacity from the satellite owners with which it currently deals.

In the event of the failure of a satellite, SSW may not be able supply broadband access to part of its customer base, which would have an adverse impact on SSW's relationship with its customers and its revenues, results of operations and prospects.

##### ***Key contract terms***

SSW's current contractual agreements with the satellite owners are non-exclusive in nature, are terminable immediately or within a short timeframe of giving notice, do not contain restrictive covenants which would prevent the satellite owners from directly competing with SSW and do not contain express provisions obliging them to continue providing services to SSW.

##### ***Supply failure***

Whilst the Enlarged Group intends to manage equipment supply by holding adequate inventory levels, delay in delivery of equipment to the Enlarged Group or delivery of faulty equipment to the Enlarged Group could have an adverse effect on the performance of the business.

##### ***Lack of spare capacity within satellite fleets***

At the present time, there exists significant spare capacity within the satellite fleets for a much larger number of customers, while competition between satellite owners serves to keep the wholesale cost of the capacity in proportion to (albeit typically still more expensive than) a wired broadband offering. However, the nature of satellite broadband coverage means that whilst there is excess capacity overall, in specific locations certain satellites can have very limited availability if their capacity is already full or in the peripheral areas of satellite coverage. SSW seeks to maximise availability to its customers by having relationships with a range of satellite broadband providers.



In the event that there is insufficient capacity, the Enlarged Group may be unable to provide services to existing customers or to accept new customers which may have an adverse effect on the Enlarged Group's relationship with its customers, revenues, results of operations and prospects.

### ***The roll-up strategy***

The Directors and Proposed Directors believe that there is an opportunity for SSW to acquire customers by way of acquisitions in its growth markets. However, there can be no guarantee that the Enlarged Group will be able to agree terms with potential sellers of assets, or that, if terms are agreed, that the new customer base can be retained and integrated into SSW's operations. A failure to successfully implement the roll-up strategy in whole or in part will have an adverse effect on the Enlarged Group's ability to grow customer numbers and therefore on the Enlarged Group's financial condition and results.

The Enlarged Group intends to conduct appropriate due diligence in respect of its acquisition targets, with the objective of identifying any material issues that may affect the decision to proceed with the purchase. During the due diligence process the Enlarged Group is only able to rely on the information that is available to it. That information may not be accurate or remain accurate during the due diligence process. More broadly there can be no guarantee that due diligence undertaken will be adequate or reveal all relevant facts or uncover all significant liabilities. If the due diligence investigation fails to identify key information in respect of the target of an acquisition, or if the Enlarged Group considers such material risks to be commercially acceptable, the Enlarged Group may be forced to write-down or write-off assets in respect of the target acquired, which may have a material adverse effect on the Enlarged Group's business, financial condition or results of operations. In addition, following an acquisition, the Enlarged Group may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could have a material adverse effect on the Enlarged Group's financial condition and results of operations (especially if the due diligence is required to be undertaken in a short timeframe or in a competitive situation).

### ***Lapse of consumer hire licence***

SSW's customers have the option to acquire their equipment by way of either outright purchase, short term hire or medium term lease. In order to provide the leasing option to consumers, SSW must be licensed by the FCA. SSW was previously licensed by the Office of Fair Trading ("**OFT**"). However, when the FCA took over responsibility for regulating consumer credit activities from the OFT in April 2014, SSW failed to apply for an "interim permission". SSW attributes this to a clerical error. As a result, SSW's licence lapsed and it has been carrying on these activities without the necessary permissions in the interim period. As a result there is a risk that SSW could be fined and a further risk that it would not be able to enforce the terms of certain contracts which were entered into with consumers in the UK during the unlicensed period. There were 373 such contracts, with an approximate value of £300 each. If either of these risks materialises it could have a negative effect on the Company's financial position. In order to mitigate the identified risks, SSW contacted the FCA promptly upon becoming aware of the issue and has since applied for a "limited permission". While its application is pending, SSW has also taken the step of amending its standard terms to reduce the contract term from two years to three months, which takes the contracts outside the scope of FCA regulation. To put this matter into context, the two relevant SSW trading names appear on a list on the FCA's website of 16,813 trading names of OFT-licensed firms without interim permission.

### ***Competition for acquisition opportunities***

There may be competition from others interested in some or all of the acquisition opportunities that SSW may explore. Such competition may for example come from strategic buyers, existing controlling shareholders in potential acquisition targets and public and private investment funds. Although the Enlarged Group believes that it is well placed to compete for opportunities, there can be no certainty that it will be successful against such competition.

### ***Competition***

The market in which the Enlarged Group operates is competitive and fast moving and may become even more competitive. There can be no guarantee that the Enlarged Group's competitors, some of which may have greater financial resources, will not develop similar or superior services to the Enlarged Group's services which may render the Enlarged Group uncompetitive.

### ***Competition from emerging alternative technologies***

There may be competition from emerging alternative technologies, such as 5G, or improved versions of the wide area radio network or mesh radio technologies, over time – the details of which are not currently available.

In the event that such technologies become widely available, the Enlarged Group's subscriber base, revenues, results from operations and prospects may be adversely affected.

### ***Government policy and increased investment in fibre roll-out***

Given the importance of digital connectivity to the economy, it may be the case that many Governments further invest in fibre roll-out thus reducing the market size for satellite broadband.

### ***Removal of Government grant support***

In some European countries, Government subsidies are important in stimulating demand for satellite broadband customer connections. As a result of the current adverse economic environment in some of these European economies, there is the risk of the removal of such subsidy support, which may reduce the opportunity for further customer acquisition in some of these markets.

### ***System reliance***

The Directors and Proposed Directors believe that the ETIP is a key contributor to the operational success of the Enlarged Group's business. In the event of a system failure of the ETIP or any other technology/system operated by a third party, short term operations would be affected adversely.

### ***Early stage company***

The Enlarged Group faces risks frequently encountered by early stage companies. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to expand and 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 expand and improve operational, financial and management information and quality control systems in line with the Enlarged Group growth could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

### ***Change in regulation***

There may be a change in applicable policies or regulation in any of the countries in which the Enlarged Group currently operates, or intends to operate in, which affects the demand for satellite broadband and/or other potential products of the Enlarged Group, which could have a material adverse effect on the Enlarged Group's activities, business, financial position and/or prospects.

## **2. Risks relating to AIM and the Ordinary Shares**

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

Although the Company is applying for the Enlarged Share Capital to be admitted to trading on AIM, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. AIM is a market designed primarily for emerging or smaller growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Accordingly, AIM may not provide the liquidity normally associated with the Official List or some other stock exchanges. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case. An investment in shares traded on AIM carries a higher risk than those listed on the Official List.

The Company is principally aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares traded, and thus the Ordinary Shares may be difficult to sell at a particular price. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the

Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment.

The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Enlarged Group and its operations. These factors include, without limitation, (i) the performance of the Company and the overall stock market, (ii) large purchases or sales of Ordinary Shares by other investors, (iii) changes in analysts' recommendations and any failure by the Enlarged Group to meet the expectations of the research analysts, (iv) changes in legislation or regulations and changes in general economic, political or regulatory conditions (particularly within Europe), and (v) other factors which are outside of the control of the Company.

Shareholders may sell their Ordinary Shares in the future to realise their investment. Sales of substantial amounts of Ordinary Shares following Admission and/or termination of the lock-in restrictions (the terms of which are summarised in paragraph 7.3 of Part 7 of this document), or the perception that such sales could occur, could materially adversely affect the market price of the Ordinary Shares available for sale compared to the demand to buy Ordinary Shares. Such sales may also make it more difficult for the Company to sell equity securities in the future at a time and price that is deemed appropriate. There can be no guarantee that the price of the Ordinary Shares will reflect their actual or potential market value or the underlying value of the Enlarged Group's net assets and the price of the Ordinary Shares may decline below the Subscription Price.

### ***Investment risk***

An investment in the Company is speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time or to lose their investment principal.

### ***Modification or Cancellation of Subscription***

The Company may withdraw, cancel or modify the subscription of the Ordinary Shares at any time without notice. The Ordinary Shares are offered subject to the right of the Company to reject any purchase in whole or in part, for any reason, or to allot to any investor less than the amount of the Ordinary Shares subscribed for by that investor.

### ***Determination of Subscription Price***

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

### ***Dilution***

Shareholders not participating in future offerings may be diluted and pre-emptive rights may not be available to Shareholders, including, but not limited to Shareholders resident in jurisdictions with restrictions having the effect that they will not be granted subscription rights in connection with, or be able to subscribe for new shares in, such offerings. Statutory pre-emptive rights have been waived up to certain stated amounts as detailed in paragraph 3.7 of Part 7 of this document. The Company intends to issue the Share Options and the Warrants and may in the future issue further warrants and/or options to subscribe for new Ordinary Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options would result in dilution of the shareholdings of other investors. On Admission, the number of Share Options and Warrants outstanding is 6,832,210 and 1,626,923, respectively. Shareholders may also be diluted by the issue of new Ordinary Shares to fund the acquisition of selected acquisition targets in line with the Enlarged Group's roll-up strategy.

## **Dividends**

There can be no assurance as to the level of future dividends. Subject to compliance with the Act and the Articles, the declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Enlarged Board, and will depend on, *inter alia*, the Company's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid and at present, there is no intention to pay a dividend.

## **3. Other risks**

### **Litigation risks**

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

### **Future funding**

Whilst the Directors and Proposed Directors have no current plans for raising additional capital in the near-medium term, it is possible that the Company will need to raise extra capital in the future to develop fully the Enlarged Group's business or to take advantage of future expansion opportunities. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to the Company or to the Company's shareholders.

Furthermore, any additional capital raised through the sale of equity may dilute Shareholders' ownership interests in the Enlarged Group and may have an adverse impact on the value of the Enlarged Group's Ordinary Shares. The terms of financing may also adversely affect Shareholders' holdings or rights, or may contain restrictive covenants. If adequate additional funding cannot be obtained, the Enlarged Group may have to abandon or limit any planned commercialisation activity and/or business development, which may have a material adverse effect on the Enlarged Group's business, financial condition, future trading performance and prospects.

### **Taxation risk**

Any change in the Company's tax status (including its EIS and/or VCT status) or the tax applicable to holding Ordinary Shares, or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon tax law and practice at the date of this document, which is subject to change.

### **Enterprise Investment Scheme**

Advance assurance has been received from HM Revenue & Customs that the Company satisfies the relevant conditions for being a qualifying company and the Subscription Shares are eligible shares for the purposes of the EIS provisions. The actual availability of relief under the EIS provisions will be contingent, *inter alia*, upon certain conditions being met by both the Company and the relevant investors. Neither the Company, the Enlarged Board nor the Company's advisers give any warranties, representations or undertakings that EIS relief will be available or that, if initially available, such relief or status will not be withdrawn. Should the law regarding EIS change then any reliefs or qualifying status previously obtained may be lost. Circumstances may arise (which may include the sale of the Company) where the Enlarged Board believe that the interests of the Enlarged Group are not best serviced by acting in a way that preserves EIS tax relief (including capital gains tax reliefs). In such circumstances, the Enlarged Group cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder. If the Enlarged Group does not employ the proceeds of an EIS share issue for qualifying purposes within two years of issue, the EIS shares would cease to be eligible and all of the EIS tax reliefs of investors in respect of the EIS shares would be withdrawn. If the Company or any qualifying subsidiary ceases to carry on the business outlined in this document or acquires or commences a business which is not insubstantial to the Enlarged Group's activities and which is a non-qualifying trade for EIS purposes, this could prejudice the qualifying status of the Company (as referred to above) under the EIS provisions if this occurred during the three year period from the last issue of shares to the EIS investors.

### ***Venture Capital Trust***

Advanced assurance has been received from HM Revenue & Customs that the Subscription Shares will be eligible for the purposes of section 258(3A) of the Income Tax Act 2007 and that certain of such shares will be “qualifying holdings” for the purposes of Chapter 4, Part 6, Income Tax Act 2007. In order for the Subscription Shares to be “qualifying holdings” for VCT purposes, *inter alia*, the Enlarged Group must satisfy and continue to satisfy the relevant requirements. There is no guarantee that such clearance will be obtained or that any particular VCT will qualify for relief in respect of an acquisition of the Subscription Shares. The conditions for relief are complex and depend not only upon the qualifying status of the Enlarged Group but upon certain factors and characteristics of the VCT concerned. VCTs who believe they may qualify for VCT relief should consult their own tax advisers regarding this. Neither the Company, the Enlarged Board nor the Company’s advisers give any warranties, representations or undertakings that the Enlarged Group will meet or continue to meet any conditions related to VCT relief. Should the law regarding VCTs change then any reliefs or qualifying status previously obtained may be lost. Circumstances may arise where the Enlarged Board believe that the interests of the Enlarged Group are not best served by acting in a way which reserves any VCT-related status. In such circumstances, the Enlarged Group cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder. Investors considering making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the reliefs may apply to their individual circumstances.

### ***Force majeure***

The Enlarged Group’s operations now or in the future may be adversely affected by risks outside the control of the Company including space debris damaging or destroying satellites, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### ***General economic conditions***

Market conditions, particularly those affecting telecoms and technology companies may affect the ultimate value of the Company’s share price regardless of operating performance. The Enlarged Group could be affected by unforeseen events outside its control, including, natural disaster, terrorist attacks and political unrest and/or government legislation or policy. Market perception of telecoms and technology companies may change which could impact on the value of investors’ holdings and impact on the ability of the Company to raise further funds by an issue of further shares in the Company. General economic conditions may affect exchange rates, interest rates and inflation rates.

## **4. General**

**It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company’s performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors and Proposed Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Enlarged Group.**

**If any of the risks referred to in this Part 3 crystallise, the Enlarged Group’s business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.**

**Although the Directors and Proposed Directors will seek to minimise the impact of the risk factors listed above, investment in the Enlarged Group should only be made by investors able to sustain a total loss of their investment.**

## **PART 4**

### **ACCOUNTANT'S REPORT AND HISTORICAL FINANCIAL INFORMATION ON CLEEVE CAPITAL PLC**

*The Directors*

Cleeve Capital Plc  
6 New Street Square  
London EC4A 3LX

Strand Hanson Limited  
26 Mount Row  
London W1K 3SQ

Arden Partners Plc  
125 Old Broad Street  
London EC2N 1AR

6 May 2015

Dear Sirs

#### **Cleeve Capital Plc**

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 6 May 2015 on the basis of the accounting policies set out in note 1. 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 and for no other purpose.

#### **Responsibility**

The Directors are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information on Cleeve Capital Plc.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document, and to report our opinion to you.

#### **Basis of opinion**

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

#### **Opinion**

In our opinion the financial information gives for the purpose of the Admission Document dated 6 May 2015 a true and fair view of the state of affairs of Cleeve Capital Plc as at 28 February 2015 and of the loss, cash flows and statement of changes in shareholders' equity for the period then ended in accordance with the basis of preparation set out in note 1 of the financial information.

**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 paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

**haysmacintyre**

*Chartered Accountants*

Registered Auditors

26 Red Lion Square

London

WC1R 4AG



**HISTORICAL FINANCIAL INFORMATION ON CLEEVE CAPITAL PLC  
FOR THE PERIOD ENDED 28 FEBRUARY 2015**

**STATEMENT OF COMPREHENSIVE INCOME**

		<i>Period ended 28 February 2015 £'000</i>
	<i>Notes</i>	
<b>Continuing operations</b>		
Administrative expenses		(30)
<b>Operating loss</b>		(30)
Taxation on continuing operations	2	–
<b>Loss after taxation</b>		(30)
<b>Total comprehensive loss for the period</b>		(30)



## STATEMENT OF FINANCIAL POSITION

		As at 28 February 2015 £'000
	Notes	
<b>Assets</b>		
<b>Current assets</b>		
Trade and other receivables	3	21
Cash and cash equivalents		3,350
		<u>3,371</u>
<b>Total assets</b>		<b><u>3,371</u></b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	4	1
		<u>1</u>
<b>Total liabilities</b>		<b><u>1</u></b>
<b>Capital and reserves</b>		
Share capital	5	1,288
Share premium		2,112
Retained deficit		(30)
		<u>3,370</u>
<b>Total equity</b>		<b><u>3,370</u></b>
<b>Total equity and liabilities</b>		<b><u>3,371</u></b>

## STATEMENT OF CASH FLOWS

	Period ended 28 February 2015 £'000
<b>Cash flow from operating activities</b>	
Loss for the period	(30)
Adjustments for:	
Increase in trade and other receivables	(21)
<b>Net cash outflow from operating activities</b>	(51)
<b>Cash flows from financing activities</b>	
Issue of share capital, net of expenses	3,401
<b>Net cash inflow from investing activities</b>	3,401
<b>Increase in cash and cash equivalents</b>	3,350
Cash and cash equivalents at beginning of period	—
<b>Cash and cash equivalents at end of period</b>	3,350

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	<i>Share capital £'000</i>	<i>Share premium £'000</i>	<i>Retained earnings £'000</i>	<i>Total £'000</i>
<b>At 17 September 2014</b>	—	—	—	—
Loss for the period	—	—	(30)	(30)
Shares allotted during the period	1,288	2,177	—	3,465
Expense of issue	—	(65)	—	(65)
<b>At 28 February 2015</b>	<u>1,288</u>	<u>2,112</u>	<u>(30)</u>	<u>3,370</u>

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting Policies

The accounting policies, applied on a consistent basis in the preparation of the financial information, are as follows:

#### **General information**

Cleeve Capital plc is a company incorporated in the United Kingdom under the Companies Act.

The address of the registered office is 6 New Street Square, London EC4A 3LX.

The Historical Financial Information of Cleeve Capital Plc for the period ended 28 February 2015, as set out, has been prepared by the Directors of Cleeve Capital Plc.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of Companies Act 2006.

The Directors of Cleeve Capital Plc are solely responsible for preparation of this Historical Financial Information.

The Historical Financial Information of Cleeve Capital Plc has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the Act as applicable to companies reporting under IFRS. The Historical Financial Information has been prepared primarily under the historical cost convention.

#### **Key accounting policies**

##### *Trade and other receivables*

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost less impairment losses. The collectability of debt is assessed at the reporting date and a specific provision is made for any doubtful debts.

##### *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term deposits with a maturity date of three months or less.

For the purpose of cash flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts.

##### *Trade and other payables*

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

##### *Corporation tax*

Corporation tax is accounted for using the taxes payable method. The corporation tax expense recorded in the Statement of Comprehensive Income for the period represents the corporation tax payable for the period.

The current corporation tax asset or liability recognised on the Statement of Financial Position represents the current corporation tax balance due from or obligation to the relevant tax authority at balance date.

### **Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### *Revenue recognition*

In revenue arrangements where more than one good or service is provided to the customer, consideration is allocated between the goods and services using fair value principals. The process of determining the fair value for each deliverable involves estimation and may impact the timing of revenue recognition. Fair values of individual components are based on process at which services are sold on a standalone basis.

## **2. Taxation**

*Period ended  
28 February  
2015  
£'000*

Current tax credit on loss for the year

—

## **3. Trade and Other Receivables**

*Period ended  
28 February  
2015  
£'000*

Prepayments

21

## **4. Trade and Other Payables**

*Period ended  
28 February  
2015  
£'000*

Other payables

1

## **5. Share Capital**

*Period ended  
28 February  
2015  
£'000*

### **Allotted, called up and fully paid:**

128,833,333 ordinary shares of £0.01 each

1,288

During the period, 20,000,000 ordinary shares of £0.01 each were allotted at par and a further 108,833,333 ordinary shares of £0.01 each were allotted at £0.03 per share.

## **6. Post Balance Sheet Events and Related Party Transactions**

On 21 April 2015, by way of the share exchange agreement, the Company conditionally agreed to acquire the entire issued share capital of Satellite Solutions Worldwide Limited from its shareholders in return for the issue and allotment of 115,384,615 Ordinary Shares to those shareholders being the current shareholders of Satellite Solutions Worldwide Limited prior to Admission. As a result of the acquisition Satellite Solutions Worldwide Limited is expected to become a wholly owned legal subsidiary of the Company.

Rodger Sargent is directly interested in 351 SSW Shares (being 1.7 per cent. of SSW's share capital) and under the terms of the Acquisition, Mr Sargent will receive 1,998,421 Consideration Shares. Accordingly, Mr Sargent has taken no part in the Board's consideration of the Acquisition.

Pursuant to the Introduction Agreement dated 6 May 2015, Cleeve Capital has conditionally raised £1.80 million (net of cash expenses) by the issue of 50,000,000 Ordinary Shares at 4.5 pence per share.

## PART 5

### ACCOUNTANT'S REPORT AND HISTORICAL FINANCIAL INFORMATION ON SSW

#### *The Directors*

Satellite Solutions Worldwide Limited  
Satellite House  
108 Churchill Road  
Bicester  
Oxon OX26 4XD

Strand Hanson Limited  
26 Mount Row  
London W1K 3SQ

Arden Partners Plc  
125 Old Broad Street  
London EC2N 1AR

6 May 2015

Dear Sirs

#### **Satellite Solutions Worldwide Limited**

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 6 May 2015 on the basis of the accounting policies set out in note 1. 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 and for no other purpose.

#### **Responsibility**

The directors of Satellite Solutions Worldwide Limited are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information on Satellite Solutions Worldwide Limited.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document, and to report our opinion to you.

#### **Basis of opinion**

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

#### **Opinion**

In our opinion the financial information gives for the purpose of the Admission Document dated 6 May 2015 a true and fair view of the state of affairs of Satellite Solutions Worldwide Limited as at 30 November 2012, 30 November 2013 and 30 November 2014 and of the losses, cash flows and statement of changes in shareholders' equity for the periods then ended in accordance with the basis of preparation set out in note 1 of the financial information.



**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 paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

**haysmacintyre**

*Chartered Accountants*

Registered Auditors

26 Red Lion Square

London

WC1R 4AG

**HISTORICAL FINANCIAL INFORMATION ON SATELLITE SOLUTIONS WORLDWIDE LIMITED  
FOR THE THREE YEARS ENDED 30 NOVEMBER 2014**

**STATEMENT OF COMPREHENSIVE INCOME**

		<i>Year ended 30 November 2014 £'000</i>	<i>Year ended 30 November 2013 £'000</i>	<i>Year ended 30 November 2012 £'000</i>
	<i>Notes</i>			
<b>Continuing operations</b>				
Revenue	2	5,453	4,088	2,921
Cost of sales		(4,028)	(3,087)	(2,314)
<b>Gross profit</b>		1,425	1,001	607
Distribution costs		(514)	(343)	(258)
Administrative expenses		(965)	(778)	(571)
Depreciation		(7)	(10)	(1)
<b>Operating loss</b>	3	(61)	(130)	(223)
Taxation on continuing operations	5	–	–	–
<b>Loss after taxation</b>		(61)	(130)	(223)
<b>Other comprehensive income</b>		–	–	–
<b>Total comprehensive loss for the year</b>		<u>(61)</u>	<u>(130)</u>	<u>(223)</u>

## STATEMENT OF FINANCIAL POSITION

		<i>As at</i> <i>30 November</i> <i>2014</i> <i>£'000</i>	<i>As at</i> <i>30 November</i> <i>2013</i> <i>£'000</i>	<i>As at</i> <i>30 November</i> <i>2012</i> <i>£'000</i>
	<i>Notes</i>			
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	6	1	1	1
Property, plant and equipment	7	18	21	15
Investments	8	8	–	–
		<u>27</u>	<u>22</u>	<u>16</u>
<b>Current assets</b>				
Inventories	9	116	84	95
Trade and other receivables	10	839	627	406
Cash and cash equivalents		75	177	202
		<u>1,030</u>	<u>888</u>	<u>703</u>
<b>Total assets</b>		<u>1,057</u>	<u>910</u>	<u>719</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	11	1,559	1,351	1,030
<b>Total liabilities</b>		<u>1,559</u>	<u>1,351</u>	<u>1,030</u>
<b>Capital and reserves</b>				
Share capital	12	–	–	–
Retained deficit		(502)	(441)	(311)
<b>Total equity</b>		<u>(502)</u>	<u>(441)</u>	<u>(311)</u>
<b>Total equity and liabilities</b>		<u>1,057</u>	<u>910</u>	<u>719</u>

## STATEMENT OF CASH FLOWS

		Year ended 30 November 2014 £'000	Year ended 30 November 2013 £'000	Year ended 30 November 2012 £'000
	Notes			
<b>Cash flow from operating activities</b>				
Loss for the year		(61)	(130)	(223)
Adjustments for:				
Depreciation of fixed assets		7	10	1
Investments write off		8	–	–
Other non-cash items		–	(3)	–
(Increase)/decrease in inventories		(32)	11	(33)
(Increase)/decrease in trade and other receivables		(211)	(152)	9
Increase in trade and other payables		208	255	412
<b>Net cash outflow from operating activities</b>		<u>(81)</u>	<u>(9)</u>	<u>166</u>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	7	(4)	(16)	(6)
Purchase of investments		<u>(17)</u>	<u>–</u>	<u>–</u>
<b>Net cash outflow from investing activities</b>		<u>(21)</u>	<u>(16)</u>	<u>(6)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(102)</u>	<u>(25)</u>	<u>160</u>
Cash and cash equivalents at beginning of period		<u>177</u>	<u>202</u>	<u>42</u>
<b>Cash and cash equivalents at end of period</b>		<u><u>75</u></u>	<u><u>177</u></u>	<u><u>202</u></u>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £'000	Retained earnings £'000	Total £'000
<b>At 1 December 2011</b>	–	(88)	(88)
Loss for the period	<u>–</u>	<u>(223)</u>	<u>(223)</u>
<b>At 30 November 2012</b>	–	(311)	(311)
Loss for the period	<u>–</u>	<u>(130)</u>	<u>(130)</u>
<b>At 30 November 2013</b>	–	(441)	(441)
Loss for the period	<u>–</u>	<u>(61)</u>	<u>(61)</u>
<b>At 30 November 2014</b>	<u><u>–</u></u>	<u><u>(502)</u></u>	<u><u>(502)</u></u>

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting Policies

The accounting policies, applied on a consistent basis in the preparation of the financial information, are as follows:

#### **General information**

Satellite Solutions Worldwide Limited is a company incorporated in the United Kingdom under the Companies Act.

The address of the registered office at 30 November 2014 was 97 Meneage Street, Helston, Cornwall TR13 8RE.

The Historical Financial Information of Satellite Solutions Worldwide Limited for the periods ended 30 November 2012, 30 November 2013 and 30 November 2014, as set out, has been prepared by the directors of Satellite Solutions Worldwide Limited.

The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of Companies Act 2006.

The directors of Satellite Solutions Worldwide Limited are solely responsible for the preparation of this Historical Financial Information.

The Historical Financial Information of Satellite Solutions Worldwide Limited has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the Act as applicable to companies reporting under IFRS. The Historical Financial Information has been extracted from the audited financial statements, audited by Johnston Carmichael LLP. The Historical Financial Information has been prepared primarily under the historical cost convention.

#### **Key accounting policies**

##### *Revenue*

Revenue is recognised to the extent the company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration receivable, exclusive of sales taxes and discounts. The company principally obtains revenue from providing the following telecommunications services: airtime usage, service charges, connection fees and equipment sales. Products and services may be sold separately or in bundled packages.

Revenue for equipment sales is recognised upon settlement of invoice by the customer, at this point title passes and the significant risks and rewards of ownership of the goods transfers.

Revenue for service charges, connection fees and airtime usage is recognised at the time services are performed.

##### *Intangible assets*

Intangible assets acquired by the company and which have a finite useful life are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is on a straight line basis over their useful lives which is considered to be up to 10 years. Intangible assets are tested annually as at 30 November for impairment or if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

##### *Property, plant and equipment*

Property plant and equipment are stated at historic cost, less accumulated depreciation and any accumulated impairment losses. Historic cost includes the expenditure that is directly attributable to the acquisition of the items; interest costs are not capitalised. Subsequent costs are included in assets

carrying amounts 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred. Depreciation rates are as follows:

Fixtures and fittings	25% on cost
Computer equipment	25% on cost
Motor vehicles	25% on cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### *Trade and other receivables*

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost less impairment losses. The collectability of debt is assessed at the reporting date and a specific provision is made for any doubtful debts.

#### *Investments*

Investments are stated at cost less provision for impairment.

#### *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term deposits with a maturity date of three months or less.

For the purpose of cash flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts.

#### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to make the sale.

#### *Trade and other payables*

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

#### *Foreign currencies*

For the purpose of the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### *Leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

#### *Corporation tax and other taxes*

Corporation tax is accounted for using the taxes payable method. The corporation tax expense recorded in the Statement of Comprehensive Income for the period represents the corporation tax payable for the period.

The current corporation tax asset or liability recognised on the Statement of Financial Position represents the current corporation tax balance due from or obligation to the relevant tax authority at balance date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.



Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

#### *Employee entitlements*

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liabilities for employee entitlements are carried at the present value of the estimated future cash flows

#### **Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

##### (a) *Revenue recognition*

In revenue arrangements where more than one good or service is provided to the customer, consideration is allocated between the goods and services using fair value principles. The process of determining the fair value for each deliverable involves estimation and may impact the timing of revenue recognition. Fair values of individual components are based on process at which services are sold on a standalone basis.

##### (b) *Recognition of deferred tax assets*

The recognition of deferred tax assets is based upon whether it is more likely than not that there will be sufficient and suitable profits which to utilise the asset in future. This is based on review of the latest profit forecasts.

##### (c) *Property, plant and equipment*

Depreciation is derived using estimates of its expected useful life and residual value, which are reviewed annually. Management determines useful lives and residual values based on experience with similar assets.

## **2. Revenue**

An analysis of the company's revenue is as follows:

	2014 £'000	2013 £'000	2012 £'000
<b>Continuing operations</b>			
Equipment sales	926	644	414
Service charges	168	294	126
Airtime usage	4,145	2,918	1,646
Connection fees	108	78	69
Marketing and promotional contributions	106	152	666
Miscellaneous income	–	2	–
	<u>5,453</u>	<u>4,088</u>	<u>2,921</u>

The company's operations and assets are located in the United Kingdom. All revenue and profits are generated in the UK.

### 3. Operating Loss for the Year

Operating loss for the year has been arrived at after charging:

	2014 £'000	2013 £'000	2012 £'000
Operating lease payments – land and buildings	35	35	23
Depreciation of property, plant & equipment	7	10	1
Foreign exchange movements	(62)	15	12
Auditors' remuneration	10	–	–
	<u>          </u>	<u>          </u>	<u>          </u>

### 4. Staff Costs

	2014 No.	2013 No.	2012 No.
Administrative and managerial staff	7	6	5
Operating staff	15	11	9
	<u>          </u>	<u>          </u>	<u>          </u>
	22	17	14
	<u>          </u>	<u>          </u>	<u>          </u>

	2014 £'000	2013 £'000	2012 £'000
Wages and salaries	522	382	277
Social security costs	56	34	23
	<u>          </u>	<u>          </u>	<u>          </u>
	578	416	300
	<u>          </u>	<u>          </u>	<u>          </u>

### 5. Taxation

	2014 £'000	2013 £'000	2012 £'000
Current tax credit on loss for the year	<u>          </u>	<u>          </u>	<u>          </u>
	–	–	–
Reconciliation of tax by domestic tax rate:			
	2014 £'000	2013 £'000	2012 £'000
Loss before taxation for the year	<u>          </u>	<u>          </u>	<u>          </u>
	(61)	(130)	(223)
Loss before taxation multiplied by UK corporation rate of 21.66% (2013 – 23.33%, 2012 – 24.67%)	<u>          </u>	<u>          </u>	<u>          </u>
	(13)	(30)	(55)
Effects of:			
Capital allowances in excess of depreciation	1	(2)	(1)
Unrelieved tax losses and other deductions	12	44	45
Other short-term timing differences	<u>          </u>	<u>          </u>	<u>          </u>
	–	(12)	11
Tax charge for the year	<u>          </u>	<u>          </u>	<u>          </u>
	–	–	–

### 6. Intangible Assets

As at 30 November 2014, the company had amortised domain names, at a net book value of £600.

## 7. Property, Plant and Equipment

	<i>Furniture &amp; equipment £'000</i>	<i>Computer equipment £'000</i>	<i>Motor vehicles £'000</i>	<i>Total £'000</i>
<b>Cost</b>				
At 1 December 2011	4	7	2	13
Additions	1	5	–	6
At 30 November 2012	5	12	2	19
Additions	6	10	–	16
At 30 November 2013	11	22	2	35
Additions	–	4	–	4
At 30 November 2014	11	26	2	39
<b>Depreciation</b>				
At 1 December 2011	2	1	–	3
Charge for year	–	1	–	1
At 30 November 2012	2	2	–	4
Charge for year	3	6	1	10
At 30 November 2013	5	8	1	14
Charge for year	2	4	1	7
At 30 November 2014	7	12	2	21
<b>Net book value</b>				
<b>At 30 November 2014</b>	4	14	–	18
At 30 November 2013	6	14	1	21
At 30 November 2012	3	10	2	15

## 8. Investments

Investments relate to an investment in an internet service provider in Portugal.

## 9. Inventories

	<i>2014 £'000</i>	<i>2013 £'000</i>	<i>2012 £'000</i>
Finished goods	116	84	95

## 10. Trade and Other Receivables

	<i>2014 £'000</i>	<i>2013 £'000</i>	<i>2012 £'000</i>
Trade receivables	436	419	365
Other receivables	300	65	35
Prepayments and accrued income	103	143	6
	839	627	406

Included within other receivables is £21,000 in respect of the rent deposit, due after more than one year.

## 11. Trade and Other Payables

	2014 £'000	2013 £'000	2012 £'000
Trade payables	671	584	488
Other taxes and social security	149	245	57
Accruals and deferred income	648	426	387
Other payables	91	96	98
	<u>1,559</u>	<u>1,351</u>	<u>1,030</u>

## 12. Share Capital

	2014 £'000	2013 £'000	2012 £'000
<b>Allotted, called up and fully paid:</b>			
20,000 ordinary shares of 1 pence each as at 30 November 2014 and 200 ordinary shares of £1.00 each as at 30 November 2013 and 2012	0.2	0.2	0.2
	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>

## 13. Operating Lease Arrangements

	2014 £'000	2013 £'000	2012 £'000
Minimum lease payments under operating leases recognised as an expense in the year	35	35	23
	<u>35</u>	<u>35</u>	<u>23</u>

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014 £'000	2013 £'000	2012 £'000
Within one year	35	35	35
Within two to five period	96	131	140
Over five years	–	–	26
	<u>131</u>	<u>166</u>	<u>201</u>

Operating lease payments represent rentals payable by the company for its office property.

#### 14. Related Party Transactions

##### ***Remuneration of key management personnel***

The remuneration of the directors, who are the key management personnel of the company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2014 £'000	2013 £'000	2012 £'000
Short- term employment benefits	333	216	157
	<u>333</u>	<u>216</u>	<u>157</u>

Included within other payables in note 11 are amounts due to the following directors:

	2014 £'000	2013 £'000	2012 £'000
A R Walwyn	22	31	41
S F Petterson	25	31	36
	<u>47</u>	<u>62</u>	<u>77</u>

## PART 6

### UNAUDITED PROFORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The following unaudited pro forma statement of net assets of the Enlarged Group is prepared for illustrative purposes only. Because of its nature, the pro forma statement of net assets addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position.

The statement is prepared to illustrate the effect on the assets and liabilities of the reverse acquisition of the Company by SSW as if it had taken place on 28 February 2015. It also reflects the net cash proceeds of a fundraising completed by the Company of £1.80 million.

The unaudited pro forma statement of net assets is compiled on the basis set out below from the audited financial information of the Company as at 28 February 2015 and SSW as at 30 November 2014, as set out in the accountants' reports in Parts 4 and 5, respectively in this document.

	<i>Company</i> <i>£'000</i>	<i>SSW</i> <i>£'000</i>	<i>Adjustments</i> <i>(Note 3 to 6)</i> <i>£'000</i>	<i>Proforma</i> <i>of the</i> <i>Enlarged</i> <i>Group</i> <i>£'000</i>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	–	27		27
Goodwill	–	–	1,822	1,822
Total non-current assets	–	27		1,849
<b>Current assets</b>				
Inventory	–	116		116
Trade and other receivables	21	839		860
Cash and cash equivalents	3,350	75	1,800	5,225
Total current assets	3,371	1,030		6,201
<b>Total assets</b>	3,371	1,057		8,050
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	(1)	(1,559)		(1,560)
<b>Total liabilities</b>	(1)	(1,559)		(1,560)
<b>Net assets/(liabilities)</b>	3,370	(502)		6,490

Notes:

1. **General**

The pro forma statement of net assets of the Enlarged Group has been prepared as an aggregation of the following items:

- the net assets of the Company as at 28 February 2015 as extracted from the underlying accounting records;
- the net assets of SSW as at 30 November 2014 as extracted from the audited financial statements;
- the net proceeds of the fundraising expected to be completed (which, is defined as admission to trading on AIM) by the Company on 12 May 2015; and
- no adjustment has been made to reflect trading results since these dates.

2. **Basis of consolidation**

An adjustment has been made to reflect the estimated goodwill arising on the acquisition of SSW. This is an approximation only and may differ from the goodwill in the consolidated financial statements of the Enlarged Group. In calculating goodwill, no fair value adjustments have been made to the net assets of the Company.

For the purposes of the pro forma financial information, goodwill is measured as the excess of the consideration attributable to SSW as a consequence of the business over the net fair value of SSW identifiable assets and liabilities. Consideration has been calculated based on 115,384,615 Ordinary Shares at a value of 4.5p per share.

3. **Goodwill**

The goodwill arising on the reverse acquisition of the Company is calculated as follows:

	£'000	£'000
Consideration effectively paid (115,384,615* £0.045)		5,192
Net assets and liabilities of the Company as at 28 February 2015:		
Current assets	3,371	
Current liabilities	<u>(1)</u>	
		<u>3,370</u>
Goodwill arising on consolidation		<u><u>1,822</u></u>

4. By way of the share exchange agreement, the Company is expected to acquire the entire issued share capital of SSW from its shareholders in return for the issue and allotment of 115,384,615 Ordinary Shares to those shareholders being the current shareholders of SSW prior to Admission. As a result of the Acquisition, SSW will become a wholly owned legal subsidiary of the Company.
5. The Company is expected to raise £2.25 million by the issue of 50,000,000 Ordinary Shares at 4.5p per share. The net proceeds receivable by the Company are expected to be £1.80 million.
6. The cash expenses of the transaction payable by the Company are expected to total approximately £450,000.



## PART 7

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company, the Directors and the Proposed Directors, whose names appear on page 12 of this document, accept responsibility 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, the Directors and the Proposed Directors (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

#### 2. The Company, the Directors and the Proposed Directors

- 2.1 The Company was incorporated in England and Wales on 17 September 2014 with the name Cleeve Capital Limited and registration number 9223439 as a private company limited by shares. Pursuant to special resolutions passed on 19 November 2014, the Company was re-registered as a public company and changed its name to Cleeve Capital PLC.
- 2.2 As at the date of this document, the Company does not have any subsidiaries. On completion of the Acquisition, SSW will become a wholly owned subsidiary of the Company.
- 2.3 The principal legislation under which the Company operates is the Act.
- 2.4 The Company's registered and head office is at 6 New Street Square, London EC4A 3LX. The Company is domiciled in the United Kingdom for tax purposes. The Company's telephone number is 0207 427 6538. From Admission, the Company intends to change its registered and head office to Satellite House, 108 Churchill Road, Bicester OX26 4XD, with telephone number 01869 356 166.
- 2.5 The address of the Company's website is [www.cleevecapital.com](http://www.cleevecapital.com). Following Admission, the Company intends to change its website address to [www.satellitesolutionsworldwide.com](http://www.satellitesolutionsworldwide.com) and will disclose the information required by Rule 26 of the AIM Rules on that website.
- 2.6 As at the date of this document, the Ordinary Shares are admitted to the Standard Segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. The ISIN of the Ordinary Shares is GB00BT6SRD21.
- 2.7 The Directors and Proposed Directors and their respective functions are as follows:  
Rodger Sargent, *Non-Executive Chairman*, appointed 17 September 2014  
Andrew Walwyn, *proposed Chief Executive Officer*, to be appointed from Admission  
Frank Waters, *proposed Chief Financial Officer*, to be appointed from Admission  
Simon McGivern, *Non-Executive Director*, appointed 16 December 2014  
Tom Pridmore, *Non-Executive Director*, appointed 1 April 2015
- 2.8 The business address of the Enlarged Board from Admission will be Satellite House, 108 Churchill Road, Bicester OX26 4XD, telephone number 01869 356 166.

#### 3. Share Capital

- 3.1 As at the date of this document, the issued share capital of the Company is £1,288,333.33 divided into 128,833,333 fully paid Ordinary Shares of £0.01 each.

- 3.2 Assuming that the Subscription is fully subscribed, the issued share capital of the Company immediately following the Acquisition, Subscription and Admission will be:

Class of share	Issued and credited as fully paid	
	Number	Amount paid up
Ordinary	308,146,282	£3,081,463

- 3.3 The history of the Company's share capital since incorporation on 17 September 2014 is as follows:

- (a) Upon incorporation of the Company on 17 September 2014, the Company issued one Ordinary Share to each of Adrian Beeston, Rodger Sargent and Catalyst Corporate Consultants Limited, fully paid up.
- (b) On 19 November 2014, Adrian Beeston, Rodger Sargent and Catalyst Corporate Consultants Limited subscribed for and were allotted, in aggregate, 9,999,997 Ordinary Shares at par. At the same time, a written resolution was signed by the shareholders of the Company (i) authorising the directors to allot up to £50,000,000 of Ordinary Shares pursuant to any acquisition carried out by the Company on or before the first anniversary of admission to trading or listing of the Ordinary Shares on a regulated or exchange regulated market and (ii) waiving pre-emption rights in respect of such share allotment.
- (c) On 28 November 2014, Chesterfield Capital Limited acquired 2,500,000 Ordinary Shares from Catalyst Corporate Consultants Limited, at par and a further group of shareholders subscribed for and were allotted, in aggregate, 10,000,000 Ordinary Shares at par.
- (d) On 16 December 2014, Rodger Sargent and Simon McGivern were allotted, in aggregate, 1,000,000 Ordinary Shares at £0.03 per Ordinary Share in lieu of their respective Non-Executive Director fees from 16 December 2014 to 15 December 2015.
- (e) On 19 December 2014, at the same time as admission of the Ordinary Shares to the Standard Segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities, the Company completed a successful placing of 107,833,333 Ordinary Shares at £0.03 per Ordinary Share, increasing its issued share capital to 128,833,333.

- 3.4 The Company does not have in issue any securities not representing share capital and except for the Warrants and the options referred to in paragraph 4 below, there are no outstanding convertible securities issued by the Company.

- 3.5 The Ordinary Shares are in registered form and may be held in either certificated form or through the CREST system.

- 3.6 Except as disclosed in this Part 7 and except for the allotment and issue of Consideration Shares, Fee Shares and Subscription Shares, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.

- 3.7 Pursuant to a resolution passed on 19 November 2014, the Company resolved, *inter alia*, that:

- (a) the Directors be authorised in accordance with the Articles to exercise all the powers of the Company to allot up to £50,000,000 of Ordinary Shares pursuant to any acquisition carried out by the Company on or before the first anniversary of admission of the Company's Ordinary Shares to the Standard Segment of the Official List and to trading on the London Stock's Exchange's Main Market for listed securities ("Main Market Admission"), provided that this authority shall, unless renewed, varied or revoked by the Company expire on the date falling one year from the date following Main Market Admission, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer of agreement notwithstanding that the authority conferred by this resolution has expired;
- (b) subject to Main Market Admission, all pre-emption rights in the Articles (whether to issue equity securities or sell them from treasury) be waived (i) for the purposes of, or in connection with, or

resulting from any acquisition carried out by the Company on or before the first anniversary of Main Market Admission or in connection with the restructuring of any debt or other financial obligation relating to such acquisition (whether assumed or entered into by the Company or owed or guaranteed by any company or entity acquired); (ii) generally for such purposes as the Directors may think fit, an aggregate amount not exceeding 200 per cent. of the aggregate value of Ordinary Shares in issue (as at the close of the first business day following Main Market Admission), and (iii) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares, in proportion (as nearly as may be) to their existing holdings of Ordinary Shares up to an amount equal to the aggregate value of the Ordinary Shares in issue as at the close of the first business day following Main Market Admission but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient: (A) to deal with equity securities representing fractional entitlements and (B) to deal with legal or practical problems in the laws of any territory, or the requirements of any regulatory body; on the basis that the authorities in (i) and (iii) above shall expire at the conclusion of the next annual general meeting of the Company after the passing of the resolution, save that the Company shall be entitled to make an offer or agreement which would or might require equity securities to be issued pursuant to (i) and (iii) above (inclusive) before the expiry of its power to do so, and the Directors shall be entitled to issue or sell from treasury the equity securities pursuant to any such offer or agreement after that expiry date and provided further that the Directors may sell, as they think fit, any equity securities from treasury.

- 3.8 On Admission and assuming completion of the Subscription and the issue of the Consideration Shares and the Fee Shares, on the basis that existing Shareholders do not participate in the Subscription, they will suffer a dilution of 58.2 per cent. in their aggregate interests in the Company.
- 3.9 The Consideration Shares, the Subscription Shares and the Fee Shares were created and issued pursuant to the Act and the Articles.

#### 4. Share Options

- 4.1 The SSW Share Option Scheme consists of two share option plans: a tax efficient enterprise management incentive option plan ("EMI Plan") and a standard option plan that attracts no tax advantages ("Unapproved Plan"). Holders of share options under the SSW Share Option Scheme have agreed, conditional upon completion of the Acquisition, to surrender their share options in exchange for the grant of new share options in the Company on the same terms (the "Share Options"). At the same time, the Company will adopt a new share option plan which will in all material respects be identical to the SSW Share Option Scheme. The summary set out below therefore refers to the terms of both the SSW Share Option Scheme and the new share option plan to be adopted by the Company, unless otherwise indicated.
- 4.2 No replacement options will be granted under the Unapproved Plan. Replacement options will be granted under the EMI Plan as follows:

	<i>Total number of Ordinary Shares to which the Share Options relate</i>	<i>Exercise price (pence)</i>	<i>30 days post Admission</i>	<i>Vesting Criteria</i>	
				<i>Following the point at which the Company first achieves a market capitalisation of £20 million</i>	<i>Following the point at which the Company first achieves a market capitalisation of £35 million</i>
<i>Option holder</i>					
Frank Waters					
(Proposed Director)	2,846,753	1.9759	1,708,052	854,026	284,675
Other employees	3,985,457	1.9759	–	1,992,728	1,992,729

- 4.3 The number of shares which may be allocated under the EMI Plan and the Unapproved Plan shall not, when aggregated with the number of shares which have already been allocated under either plan and any other employees' share scheme or any other form of share incentive scheme adopted by the Company, exceed ten per cent. of the shares in issue immediately prior to that day. The EMI

Plan restricts the value of Ordinary Shares that can be issued pursuant to the EMI Plan by reference to the maximum number of shares that are eligible for EMI tax treatment (£250,000 per option holder, and £3 million for all participants, as determined by reference to the market value of the shares at the date of grant). Any Ordinary Shares subject to option above that level would fall under the Unapproved Plan.

- 4.4 The plans enable selected employees and directors of the Company, and of any 51 per cent. subsidiaries from time to time, to be granted options to acquire Ordinary Shares. No option can be transferred or assigned. No amount is payable on grant of an option.
- 4.5 Options may be exercised in whole or part in accordance with the rules of the relevant plan. The date the options will first vest is generally determined by reference to targets based on the market capitalisation of the Company (although there are provisions enabling earlier exercise in certain situations). Option holders who leave the employment of the Company by reason of injury, disability, redundancy or retirement, may exercise their options up to 40 days after their leaving date (unless the board of directors of the Company determine a longer period is justified). For persons who leave the employment of the Company for any other reason, options would lapse immediately (unless the board of directors of the Company determine that they should be provided with an opportunity to exercise their options).
- 4.6 In the event of a reorganisation of the Company, the number of shares subject to option and the exercise price may be adjusted as the board of directors of the Company may determine (and confirmed by the auditors as reasonable).
- 4.7 The plans are not intended to form any contract of employment and individuals who participate will not have any rights to damages for any loss, or potential loss of benefit, in the event of termination of their role.

## **5. Articles of the Company**

- 5.1 Set out below is a summary of the provisions of the Articles. A copy of the Articles is available for inspection at the address specified in paragraph 18 of this Part 7.

- (a) **Share Capital**

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

- (b) **Voting**

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

- (c) **Dividends**

The Company may, subject to the provisions of the Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the directors. Subject to the provisions of the Act in so far as, in the directors' opinions, the Company's profits justify such payments, the directors may pay interim dividends on any class of shares except for shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. Any dividend, unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the directors resolve, be forfeited and revert to the Company. The Company does not pay interest on any dividend unless otherwise provided by the terms on which the shares were issued or the provision of another agreement.

(d) **Transfer of Ordinary Shares**

Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules.

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

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

The directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

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

Subject to the Act and the Articles and in accordance with section 551 of the Act, the directors shall be generally and unconditionally authorised to exercise for each prescribed period, all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant special resolution passed pursuant to section 561 of the Act, authorising such allotment.

Under and within the terms of the said authority or otherwise in accordance with section 570 of the Act, the directors shall be empowered during each prescribed period to allot equity securities (as defined in the Act), wholly for cash:

- (i) in accordance with a rights issue (as defined in the Articles);
- (ii) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the amount stated in the relevant ordinary or special resolution passed pursuant to section 551 of the Act, authorising such allotment.

(f) **Directors**

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

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

At the first annual general meeting all directors shall retire from office and may offer themselves for re-appointment by the Shareholders by ordinary resolution.

At every subsequent annual general meeting any director who:

- (i) has been appointed by the directors since the last annual general meeting; or
- (ii) was not appointed or re-appointed at one of the preceding two annual general meetings;

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

Subject to the provisions of the Articles, the board, which may exercise all the powers of the Company, may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors.

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

Questions arising at a meeting shall be decided by a majority of votes of the participating directors, with each director having one vote. In the case of an equality of votes the chairman shall have a second or casting vote.

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

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

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

Any authorisation by the board will be effective only if:

- (i) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of the Articles;
- (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted director and any other conflicted director; and
- (iii) the matter is agreed to without the conflicted director voting or would be agreed to if the conflicted director's and any other interested director's vote is not counted.

(g) **General meetings**

The Company must convene and hold annual general meetings in accordance with the Act.

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

(h) **Borrowing powers**

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

- (i) borrow money;
- (ii) indemnify and guarantee;



- (iii) mortgage or charge;
  - (iv) create and issue debentures and other securities; and
  - (v) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (i) **Capitalisation of profits**
- The directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.
- (j) **Uncertificated shares**
- Subject to the Act, the directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a relevant system without a certificate.
- The directors may take such steps as it sees fit in relation to the evidencing of and transfer of title to uncertificated shares, any records relating to the holding of uncertificated shares and the conversion of uncertificated shares to certificated shares, or vice-versa.
- The Company may by notice to the holder of an uncertificated share, require that share to be converted into certificated form.
- The board may take such other action that the board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.
- (k) **Winding up**
- Subject to the Act, on a winding up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, first to the holders of Ordinary Shares in an amount up to £0.01 per share in respect of each fully paid up Ordinary Share. If, following these distributions to holders of Ordinary Shares there are any assets of the Company still available, they shall be distributed to the holders of Ordinary Shares pro rata to the number of such fully paid up Ordinary Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Ordinary Shares.

## 6. Squeeze out rights, sell out rights and the Takeover Code

- 6.1 Under section 979 of the Act if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders advising that it will compulsorily acquire their shares and, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.
- 6.2 Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.



- 6.3 The Company is subject to the Takeover Code. Accordingly, the Ordinary Shares are subject to the rules regarding mandatory takeover offers set out in the Takeover Code. Except with the consent of the Panel, when: (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, that person, together with the person acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the Company within the preceding 12 months, for all the remaining equity share capital of the Company.

## **7. Interests of Directors, Proposed Directors, Major Shareholders and Related Party Transactions**

### **7.1 Directors' and Proposed Directors' Interests**

- (a) As at the Disclosure Date, the Directors and the Proposed Directors had a beneficial interest in the following number of Ordinary Shares:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Per cent of issued ordinary share capital</i>
Rodger Sargent	5,250,000	4.08%
Simon McGivern	1,500,000	1.16%
Tom Pridmore	800,000	0.62%
Andrew Walwyn	nil	nil
Frank Waters	nil	nil

- (b) Immediately following completion of the Subscription and the issue of the Consideration Shares and the Fee Shares, it is anticipated that the Directors will have a beneficial interest in the following number of Ordinary Shares:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Per cent of Enlarged Share Capital</i>
Rodger Sargent	7,248,421	2.4%
Simon McGivern	1,500,000	0.5%
Tom Pridmore	966,667	0.3%
Andrew Walwyn	48,645,325	15.8%
Frank Waters	3,416,104	1.1%

- (c) Immediately following completion of the Subscription and issue of the Consideration Shares and the Fee Shares, it is anticipated that the Directors will have a beneficial interest in the following number of Share Options:

<i>Name</i>	<i>Number of Share Options</i>
Rodger Sargent	nil
Simon McGivern	nil
Tom Pridmore	nil
Andrew Walwyn	nil
Frank Waters	2,846,753

- (d) Save as disclosed in paragraph 4.2 and 7.1(a) – (c) above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share capital of the Company.

- (e) Except as disclosed above, the Directors and Proposed Directors are not aware of any interests of persons connected with them which would, if such connected person were a Director, be required to be notified to the Company pursuant to Chapter 3 of the Disclosure and Transparency Rules and would be required to be entered in the register of directors' interests pursuant to section 809 of the Act.
- (f) As from completion of the Acquisition, there are no outstanding loans granted by the Company or SSW to any Director or Proposed Director, nor has any guarantee been provided by any member of the Enlarged Group for their benefit.

## 7.2 ***Directors' Contracts and Emoluments***

- (a) The Company entered into an agreement with Rodger Sargent dated 16 December 2014 pursuant to which Mr Sargent's appointment as a non-executive director of the Company was confirmed for an annual fee of £15,000 grossed up for tax, which for the first year of the appointment was applied in subscribing for £15,000 worth of Ordinary Shares, at an issue price of £0.03 per Ordinary Share, being the issue price on the date on which the Company was admitted to the Standard Segment of the Official List (the "Original RS Agreement"). On 6 May 2015, the Company entered into a new agreement with Rodger Sargent in respect of his appointment (the "New RS Agreement"), which supersedes the Original RS Agreement, and, which, in anticipation of Admission includes provisions relating to compliance with the AIM Rules. Pursuant to the terms of the New RS Agreement, the appointment is terminable on three month's notice on either side and the annual directors fee, payable with effect from 16 December 2015, will be satisfied in cash. Mr Sargent has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Sargent is in material breach of the terms of the appointment.
- (b) The Company has entered into an agreement with Simon McGivern dated 16 December 2014 pursuant to which Mr McGivern's appointment as a non-executive director of the Company was confirmed for an annual fee of £15,000 grossed up for tax, which for the first year of the appointment was applied in subscribing for £15,000 worth of Ordinary Shares, at an issue price of £0.03 per Ordinary Share, being the issue price on the date on which the Company was admitted to the Standard Segment of the Official List (the "Original SM Agreement"). On 6 May 2015, the Company entered into a new agreement with Simon McGivern in respect of his appointment (the "New SM Agreement"), which supersedes the Original SM Agreement, and which, in anticipation of Admission includes provisions relating to compliance with the AIM Rules. Pursuant to the terms of the New SM Agreement, the appointment is terminable on three month's notice on either side and the annual directors' fee, payable with effect from 16 December 2015, will be satisfied in cash. Mr McGivern has entered into pre and post termination restrictive covenants with the Company, including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr McGivern is in material breach of the terms of the appointment.
- (c) The Company has entered into a letter of appointment with Tom Pridmore dated 6 May 2015 pursuant to which Mr Pridmore was appointed as a non-executive director of the Company. Mr Pridmore is entitled to an annual fee of £15,000 grossed up for tax, which for the first six months of the appointment will be applied in subscribing for £7,500 worth of Ordinary Shares, at an issue price of 4.5 pence. The appointment is terminable on three month's notice on either side. No compensation is payable for loss of office.
- (d) The Company has entered into an executive service agreement with Andrew Walwyn dated 6 May 2015, conditional upon Admission, pursuant to which Mr Walwyn was appointed as chief executive officer of the Company. Mr Walwyn will be paid a salary of £155,000 per year, payable monthly in arrears plus he is entitled to a car allowance, a discretionary bonus, a pension contribution, permanent health insurance, critical illness cover and death in service benefit. The employment may not be terminated by either party, on notice within the first 6 months from the date of the agreement and thereafter is terminable on 6 months' notice on either side. Mr Walwyn has entered into pre and post termination restrictive covenants including relating to

non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Walwyn is in material breach of the terms of the agreement.

- (e) The Company has entered into an executive service agreement with Frank Waters dated 6 May 2015, conditional upon Admission, pursuant to which Mr Waters was appointed as chief financial officer of the Company. Mr Waters will be paid a salary of £135,000 per year, payable monthly in arrears plus he is entitled to a car allowance, a discretionary bonus, a pension contribution, permanent health insurance, critical illness cover and death in service benefit. The employment may not be terminated by either party, on notice within the first 6 months from the date of the agreement and thereafter is terminable on 6 months' notice on either side. Mr Waters has entered into pre and post termination restrictive covenants including relating to non-competition and non-solicitation of customers and staff. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Waters is in material breach of the terms of the agreement.
- (f) The cash emoluments of the Directors for the 3 months ended 31 March 2015 (during which period only Rodger Sargent and Simon McGivern were Directors) were £nil. On the basis of the service contracts and appointment letters entered into at Admission, the cash emoluments of the Directors and Proposed Directors in a full year would be approximately £335,000.
- (g) Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors or Proposed Directors. None of the Directors or Proposed Directors has any commission or profit sharing arrangements with the Company.
- (h) Except as provided for in paragraphs 7.2(a) and 7.2(b) above, the total emoluments of the Directors will not be varied as a result of Admission.

### 7.3 **Lock-in Agreements**

On 6 May 2015 Strand Hanson, Arden Partners, the Company and each Locked-in Party entered into lock-in agreements pursuant to which each Locked-in Party agrees with the Company, Strand Hanson and Arden Partners, conditional on Admission, that he will not (subject to certain exceptions) sell, transfer or dispose of, in the case of each Locked-in Party save for Bob Squared Limited, Sightpath Limited and Thomas Pridmore the Ordinary Shares held by him on Admission, or subsequently acquired, until the expiry of 12 months from Admission and in the case of Bob Squared Limited, Sightpath Limited and Thomas Pridmore any interest in, respectively 2,202,030, 2,202,030 and 166,667 Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) until the expiry of six months from Admission. In addition, each Locked-in Party save for Bob Squared Limited, Sightpath Limited and Thomas Pridmore has agreed for a further period of 12 months after expiry of the 12 month lock-in period that, subject to certain exceptions, he will only sell the Ordinary Shares held by him at that time through Arden Partners and on an orderly market basis. Bob Squared Limited, Sightpath Limited and Thomas Pridmore have agreed for a period of six months from Admission that, subject to certain exceptions, they will only sell those interests in Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) not being Locked-in Shares through the Company's broker from time to time and on an orderly market basis and for a further period of 12 months after expiry of their six month lock-in period that, subject to certain exceptions, they will only sell any interests in Ordinary Shares held by them or any related parties (as defined in the AIM Rules for Companies) through the Company's broker from time to time and on an orderly market basis. Those restrictions will not apply in certain limited circumstances which include, amongst others:

- (a) the acceptance of a general offer for the whole of the issued share capital of the Company and the ability to provide an irrevocable undertaking to accept such offer;
- (b) a disposal by the personal representatives of a Locked-in Party on his death; or
- (c) with the prior written consent of Strand Hanson (or the Company's nominated adviser from time to time) and Arden Partners (or the Company's broker from time to time).

#### 7.4 **Other Interests**

- (a) In addition to their directorships of the Company, the Directors are, or have been, members of the administrative, management or supervisory bodies ("directorships") or partners of the following companies or partnerships, at any time in the five years prior to the date of this document.

##### **Rodger Sargent**

###### *Current directorships and partnerships*

Mithril Capital plc  
Sonr Media Limited  
Sonr News Limited  
Sonr News Inc.  
Audioboom Limited

###### *Former directorships and partnerships*

Audioboom Group plc  
Blackbottle Limited  
Namotether Discovery Science Limited  
Touchlight Genetics Limited  
Greenhouse Advisor Limited

##### **Simon McGivern**

Locca Tech Limited  
Locca Distribution Limited  
Locca Design & Development Limited  
Ila Security Limited  
Bluwstuff Limited  
Bluw Limited  
Scarlett Willow Limited  
Litebulb Group Limited  
Litebulb Studios Limited  
Concept Merchandise Limited  
Litebulb Corporate Limited

Handpicked Limited  
Coldstream Seafood Limited  
Map Companies Limited  
Buccal Development Limited  
Buccal Distribution Limited

##### **Tom Pridmore**

Development Capital Management Limited  
Opes Industries Limited  
Opes MRF 2013 Limited  
WJP Consulting Limited  
Xenia Management Limited  
Columbus Satellite Ventures  
Centralnic Group plc  
Beaufort Capital Management UK Limited  
Mithril Capital plc

Belvedere Schools Limited  
Redtree Securities Limited  
West Africa Energy Corporation Limited  
Pro-Dome Limited

##### **Andrew Walwyn**

Satellite Solutions Worldwide Limited  
Overland Limited

ABT Trading Limited  
Shop 4 Everything Limited  
Insurance Services 2Go Limited  
It Won't Cost The Earth Limited  
010 Plus Limited  
Overland Adventure Limited  
Loyal Insurance Services Limited  
Tooway Direct Limited

##### **Frank Waters**

Satellite Solutions Worldwide Limited  
Mearns Castle Golf Academy Limited  
Maga LLP

Loveit2bits Limited  
Propertybear Limited  
Environmental Mobile Control Limited  
Maxiim Limited  
Poundstore Plus Limited  
Redeem Limited  
Redeem Acquisitions Limited  
Redeem (EBT) Limited  
Redeem Holdings Limited  
Total PDA Limited

- (b) No Director or Proposed Director has been interested in any transaction with the Company or SSW which was unusual in its nature or conditions or significant to the business of the Enlarged Group during the current financial year which remains outstanding or unperformed.
- (c) In the case of those Directors and Proposed Directors who have roles as directors of other companies, although there are no current conflicts of interest, it is possible that the fiduciary duties owed by those directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Company.
- (d) Except for the Directors, Proposed Directors and Simon Clifton, the Board does not believe that there are any other senior managers who are relevant in establishing that the Enlarged Group has the appropriate expertise and experience for the management of the Company's business

#### 7.5 ***Directors' and Proposed Directors' Confirmations***

At the date of this Document, save as set out in paragraph (g) below, none of the Directors or the Proposed Directors:

- (a) has had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;
- (b) has had a bankruptcy order made against him or entered into an individual voluntary arrangement;
- (c) has been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;
- (d) has been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;
- (e) has been subject to receivership in respect of any asset of such Director or Proposed Director or of a partnership of which the Director or Proposed Director was a partner at the time of or within 12 months preceding such event; or
- (f) has been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director or Proposed Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- (g) Andrew Walwyn was a director of O T Computers Ltd (which traded under the name of Tiny Computers), which was placed into administration on 29 January 2002 with an estimated deficiency to creditors of at least £36.6 million. On 30 January 2002 the business and certain assets were sold to Time Group Ltd. The company was subsequently placed into a creditors voluntary liquidation. Mr Walwyn was a director of O10 Plus Ltd (which traded under the name of The Flat TV Company), which was placed into a creditors voluntary liquidation on 14 November 2008 with a finally determined deficiency to creditors of £410,127.

## 7.6 **Major Shareholders**

As at the Disclosure Date, the following Shareholders had a notifiable interest in the issued shares of the Company:

<i>Shareholder</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital as at the Disclosure Date</i>
Hargreave Hale Limited	15,850,000	12.30%
Candy Ventures SARL	13,250,000	10.28%
Courtney Investments Limited	9,000,000	6.99%
MD Barnard & Co. Limited	7,120,000	5.53%
Rodger Sargent	5,250,000	4.08%
Rob Proctor	5,250,000	4.08%
Monecor (London) Limited	5,000,000	3.88%
Basil Sellers	5,000,000	3.88%

- 7.7 Immediately following Admission, as a result of the Subscription, the Acquisition and the issue of Fee Shares, the Directors expect that a number of persons (in addition to those set out in paragraph 7.6 above) will have an interest, directly or indirectly, in at least three per cent. of the voting rights attached to the Company's issued shares. On Admission, the Directors and Proposed Directors expect the following persons to be interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company.

<i>Shareholder</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital following Admission</i>
Andrew Walwyn	48,645,325	15.8%
Candy Ventures SARL	33,623,832	10.9%
Simon Clifton	31,348,450	10.2%
Hargreave Hale Limited	15,850,000	5.1%
MD Barnard & Co. Limited	14,897,778	4.8%
SRG	11,337,498	3.7%

Such persons will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure and Transparency Rules, and such interests will be notified by the Company to the public.

- 7.8 As at the Disclosure Date the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 7.9 Those interested, directly or indirectly, in three per cent. or more of the issued Ordinary Shares do not now, and, following the Subscription and Admission, will not, have different voting rights from other holders of Ordinary Shares.

## 8. Selling Shareholders and Warrants

- 8.1 Conditional on Admission, the following Shareholders have agreed to sell and the following persons have agreed to buy a total of 10,575,000 Existing Ordinary Shares:

<i>Selling Shareholder</i>	<i>Number of Existing Ordinary Shares sold by the Selling Shareholder</i>	<i>Resulting shareholding in the Company following the sale of Existing Ordinary Shares</i>
Courtney Investments Limited	5,000,000	4,000,000
Hargreave Hale AIM VCT 1&2	3,500,000	2,222,223
Peter Redmond	800,000	1,700,000
Adrian Beeston	650,000	1,849,999
Geoffrey Dart	625,000	1,875,000
<b>Total</b>	<b>10,575,000</b>	<b>11,647,222</b>

<i>Purchasing Shareholder</i>	<i>Number of Existing Ordinary Shares purchased by the Purchasing Shareholder</i>	<i>Resulting shareholding in the Company following the purchase of Existing Ordinary Shares</i>
Candy Ventures SARL	10,575,000	33,623,832

- 8.2 The purchase price per Existing Ordinary Share is 5.0 pence and the Purchasing Shareholder shall be granted a Warrant over 1 Ordinary Share for every 6.5 Existing Ordinary Shares purchased.
- 8.3 The issue of warrants represents a longer term financial commitment to the Enlarged Group by the Purchasing Shareholder and is driven by the fact that the Selling Shareholders wish to sell their Existing Ordinary Shares at a price of no less than 5.0 pence.

## 9. Working capital

The Company is of the opinion that the working capital available to the Company and its subsidiaries, taking into account the net proceeds of the Subscription, is sufficient for the Company's present requirements, that is for at least the 12 months from the date of Admission.

## 10. Significant change

There has been no significant change in the trading or financial position of the Company since 28 February 2015 or of SSW since 30 November 2014, being the date as at which the financial information contained in Part 4 and Part 5, respectively, of this document has been prepared, respectively.

## 11. Litigation

- 11.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since the Company's incorporation which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.
- 11.2 There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) over the past 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of SSW.



## **12. Material contracts**

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

### **12.1 Acquisition Agreement ("SPA")**

Pursuant to the terms of the Acquisition Agreement, the Company agrees to purchase certain shares in the capital of SSW from the Management Sellers, who agree, in turn, to serve a notice on the Dragged Sellers pursuant to the articles of association of SSW, requiring the Dragged Sellers to transfer their SSW Shares to the Company.

The consideration for the purchase of the entire issued share capital of SSW pursuant to the Acquisition Agreement is, in aggregate, £5.19 million to be satisfied by the issue of the Consideration Shares to the Management Sellers and the Dragged Sellers, credited as fully paid.

Completion is conditional, among other things, on Admission and the Subscription becoming unconditional in all respects except for the issue of the Subscription Shares.

Each of the Management Sellers individually warrants to the Company in respect of their SSW Shares and their capacity to sell such shares. The Management Sellers also gives certain customary commercial warranties to the Company in relation to SSW. The maximum aggregate liability of the Management Sellers is the lower of the value of the Consideration Shares received by the Management Sellers at Admission and at the time that a claim is made, subject to a *de minimis* threshold and limitation periods. The Company gives certain customary warranties to the Management Sellers, including in respect of certain information contained about it in this document. The maximum aggregate liability of the Company under such warranties is £3,500,000, subject to a *de minimis* threshold and limitation periods.

### **12.2 Subscription Letters**

The Subscription Letter sets out the terms upon which Subscribers shall subscribe for the Subscription Shares, including the closing date (being 5.00 p.m. on 30 April 2015), the conditions of the Subscription (being completion of the Acquisition, the cancellation of the Company's listing on the Main Market for listed securities of the London Stock Exchange and Admission) and settlement of the Subscription Shares. The Subscription Letter also contains warranties given by such Subscribers to the Company, in respect of the Subscription and their eligibility to participate in the offer.

### **12.3 Warrant Instrument**

The Warrant Instrument constitutes the Warrants, which confer the right on the holder of the Warrant to subscribe for one Ordinary Share at the price of £0.01 per Ordinary Share. The exercise period of the Warrant will commence six months from the date of the Warrant Instrument ("Commencement Date") and will expire on the date falling on the third anniversary of the Commencement Date or on the date that no further subscription rights are exercisable (whichever is earlier). Each Warrant will be cancelled once the subscription right attaching to it has been exercised and the Ordinary Share has been allotted to the warrant holder pursuant to the Warrant.

### **12.4 Introduction Agreement**

On 6 May 2015 an introduction agreement ("Introduction Agreement") was entered into between the Company (1), the Directors (2), the Proposed Directors (3), Simon Clifton (4) and Strand Hanson (5) relating to the application to be made for Admission. The Introduction Agreement is conditional, amongst other things, on the Acquisition Agreement becoming unconditional in all respects (save for any condition relating to Admission) and Admission occurring not later than 12 May 2015 (or such later date as may be agreed between the Company and Strand Hanson, being no later than 12 June 2015). The Introduction Agreement contains customary warranties and undertakings given by the Company, the Directors, the Proposed Directors and Simon Clifton as to the accuracy of the information contained in this document and other matters relating to the Ordinary Shares, the Enlarged Group and its business. In addition, the Company, the Directors and the Proposed Directors have



given certain indemnities to Strand Hanson in respect of certain customary matters. Strand Hanson is entitled to terminate the Introduction Agreement in certain circumstances prior to Admission including, amongst other things, in the event of the occurrence of certain force majeure events, or an unremedied breach of the Introduction Agreement or a breach of any of the warranties or indemnities contained in it. If any of the conditions contained in the Introduction Agreement are not satisfied (or waived, where capable of being waived) or if for any other reason the Acquisition does not proceed, Admission will not take place. In consideration of its services in connection with the Introduction Agreement, the Company has agreed to pay Strand Hanson a corporate finance fee, which includes the allotment and issue of 2,222,222 Ordinary Shares to Strand Hanson. The Company has agreed to pay or cause to be paid (together with any related VAT) certain costs, charges, fees (including legal fees) and expenses of, or in connection with or incidental to Admission.

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

Under a nominated adviser agreement dated 6 May 2015 between Strand Hanson and the Company, Strand Hanson agreed to act as nominated adviser to the Company for the purposes of the AIM Rules for an initial period of 9 months and thereafter subject to 30 days' written notice by either party. The agreement contains customary indemnities from the Company in favour of Strand Hanson relating to the Company's position as a company whose shares are admitted to trading on AIM and other matters relating to its financial and trading position.

#### 12.6 ***Broker Agreement***

Under a broker agreement dated 6 May 2015 between Arden Partners and the Company, Arden Partners agreed to act as broker to the Company. The appointment is subject to three months' written notice by either party.

#### 12.7 ***Agreement with SRG***

Sports Resource Group Limited ("SRG") and SSW are parties to a letter dated 28 October 2014 (the "SRG Letter"), pursuant to which SRG has agreed to act as financial adviser to SSW in respect of the Acquisition. Pursuant to a side letter, the Company agrees to satisfy SSW's obligations under the SRG Letter by issuing and allotting to SRG 7,477,778 Ordinary Shares on the basis of a price per Ordinary Share of 4.5 pence. Such Ordinary Shares are issued and allotted to SRG in lieu of any fees or other payments due to them from SSW under the terms of the SRG Letter and, upon delivery of such Ordinary Shares, SRG agrees to release the Company and SSW of, and forever discharge and waive all and any actions or claims, whether or not presently known to the parties, that they may have ever had, or have against the Company or SSW arising out of or in connection with the SRG Letter.

#### 12.8 ***Agreement with Sightpath Limited and Bob Squared Limited***

Sightpath Limited ("Sightpath"), Bob Squared Limited ("BS") and SSW are parties to a deed for business referral, dated 1 July 2014, under which SSW had contracted to pay Sightpath and BS for business referrals in relation to prospective shareholders in SSW (the "Deed"). Pursuant to a side letter, the Company agrees to satisfy SSW's obligations under the Deed by issuing and allotting to each of Sightpath and BS 3,755,000 Ordinary Shares in the Company on the basis of a price per Ordinary Share of 4.5 pence. Such Ordinary Shares are issued and allotted to Sightpath and BS in lieu of any fees or other payments due to them from SSW under the terms of the Deed and, upon delivery of such Ordinary Shares, each of Sightpath and BS agree to release the Company and SSW of, and forever discharge and waive all and any actions or claims, whether or not presently known to the parties, that they may have ever had, or have against the Company or SSW arising out of or in connection with the Deed.

#### 12.9 ***Registrar Agreement***

The Registrar is responsible for providing share registration services to the Company under the terms of a registrars agreement dated 28 November 2014, for an initial period of 12 months from 21 November 2014.

The Company has agreed to pay the Registrar's fees in quarterly arrears in respect of its standard service. The basic fee comprises £1.25 per holding per annum (subject to a minimum charge of £400 per quarter). The Registrar may, on 1 April each year, review its fee arrangements and will give the Company at least one month's written notice of any alteration to such charges.

## 13. Taxation

### 13.1 *Introduction*

The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident (and, in the case of individuals, domiciled) for tax purposes in (and only in) the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment rather than trading stock (other than through an ISA or SIPP) and who are the absolute beneficial owners of both the Ordinary Shares and any dividends paid on them.

**All Shareholders, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of holding, transferring or otherwise disposing of Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.**

### 13.2 *Tax Residence of the Company*

The Company is considered to be resident for tax purposes in the UK. Accordingly, the information provided in this section reflects the taxation treatment appropriate to an investment in a UK tax resident company.

### 13.3 *Taxation of Chargeable Gains made by Shareholders*

#### *General*

A sale or other disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains, depending on that Shareholder's circumstances and subject to any available reliefs and exemptions.

#### *UK resident individuals and trustees*

Chargeable gains realised on a disposal of Ordinary Shares by an individual Shareholder resident in the UK will be subject to capital gains tax which is charged at a rate of 28 per cent. for those individuals whose total income and gains exceed the income tax basic rate limit, and at a rate of 18 per cent. where total income and gains fall below the basic rate limit. No indexation allowance will be available to individual Shareholders. However, an individual Shareholder has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this annual exempt amount. The annual exemption is £11,100 for the tax year 2015-16. A flat rate of 28 per cent. applies for trustees and personal representatives who are subject to UK capital gains tax.

An individual Shareholder who disposes of Ordinary Shares while only temporarily not resident in the UK for tax purposes, may, under anti-avoidance legislation, still be liable to UK tax on his or her return to the UK.

#### *UK resident companies*

UK resident corporate Shareholders will generally be subject to corporation tax at the rate applicable to the relevant company on chargeable gains arising on a disposal of their Ordinary Shares, subject to any available exemption or relief. Indexation relief is deductible in computing any gain arising on a disposal of, or out of, the holding and is computed by reference to the movement in the Retail Price Index over the period of ownership applied to the cost of the holding, or that part of the holding, disposed.

#### *Non-UK resident Shareholders*

Shareholders who are not resident in the UK and who are not affected by the rules relating to temporary non-residence will, save in limited circumstances, not be liable to UK taxation on chargeable gains realised on the disposal of their Ordinary Shares. Such Shareholders may be subject

to foreign taxation on any gain realised under the local law of their country of residence and should consult their own tax adviser concerning their tax liabilities on such gains.

#### 13.4 **Taxation of Dividends**

The taxation of dividends paid by the Company and received by a Shareholder resident for tax purposes in the UK is summarised below.

##### *Withholding taxes*

Under current UK tax legislation, no UK tax is required to be withheld from dividend payments by the Company. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

##### *UK resident individuals*

A UK resident individual Shareholder in receipt of dividends is treated as receiving income of an amount equal to the sum of the dividend and its associated tax credit. The tax credit currently equates to 10 per cent. of the gross dividend, being the combined amount of the dividend and the tax credit (the tax credit therefore representing one-ninth of the net dividend). The gross dividend is subject to income tax as, generally, the top slice of the individual's income. The tax credit is available to set against the resulting liability (if any) to income tax. An individual liable to income tax at the basic rate will be liable to tax on the gross dividend at a rate of 10 per cent. ("the dividend ordinary rate"). Accordingly, the tax credit will satisfy the income tax liability of such an individual. An individual liable to income tax at the higher rate will pay tax on the gross dividend at a rate of 32.5 per cent. ("the dividend upper rate"). After taking into account the tax credit of 10 per cent. a higher rate taxpayer will be liable to additional income tax of 22.5 per cent. of the gross dividend, which equates to 25 per cent. of the actual or net dividend. An individual liable to income tax at the additional rate will pay tax on the gross dividend at a rate of 37.5 per cent. ("the dividend additional rate"). After taking into account the tax credit of 10 per cent., an additional rate taxpayer will be liable to additional income tax of 27.5 per cent. of the gross dividend, which equates to 30.56 per cent. of the actual or net dividend.

##### *UK discretionary trustees*

UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 37.5 per cent. ("the dividend trust rate") of the gross dividend to the extent trust income exceeds the standard rate band. After giving effect to the tax credit of 10 per cent. the trustees will be liable to additional income tax of 27.5 per cent. of the gross dividend, which equates to 30.56 per cent. of the actual or net dividend.

##### *UK resident corporate Shareholders*

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on dividends unless the dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether other conditions are met will depend upon the circumstances of the particular Shareholder, although it is anticipated that the dividends paid by the Company would normally be exempt.

##### *UK resident exempt Shareholders*

UK resident Shareholders who are not liable to UK tax on dividends including UK pension funds and charities, will not be entitled to claim a repayment of the tax credit attaching to dividends paid by the Company.

##### *Non-UK resident Shareholders*

Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment of any part of the tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

### 13.5 **Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

No UK stamp duty or SDRT will be payable on the issue or allotment of Ordinary Shares pursuant to the Subscription, nor on subsequent transfers or agreements to transfer Ordinary Shares by virtue of the exemption from 28 April 2014 from stamp duty and SDRT on shares traded on AIM. The statements in this paragraph 13.5 apply to any holders of Ordinary Shares irrespective of their residence, and are a summary of the current position, intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

### 13.6 **Inheritance Tax**

Shares in AIM listed trading companies may qualify for Business Property Relief for UK inheritance tax purposes.

### 13.7 **Enterprise Investment Scheme**

**This general summary is based on an understanding of current law and practice as at the date of this document, both of which are subject to change at any time. Although care has been taken in its preparation, this summary is for information purposes only and is not intended to provide legal or tax advice for Shareholders. Tax consequences may vary depending upon the particular status of a Shareholder.**

**None of the Directors or the Proposed Directors or their professional advisors guarantees that any of the tax reliefs or treatments mentioned in this paragraph will be available to any Shareholder. Shareholders are therefore strongly advised to consult a professional tax adviser regarding this paragraph and, in particular, regarding their personal tax position and the consequences of subscribing for Ordinary Shares pursuant to the Subscription.**

**The summary below assumes that all Shareholders are individuals who fall within the charge to UK income tax and capital gains tax.**

EIS tax relief comprises (i) income tax relief, (ii) capital gains tax (CGT) exemptions, (iii) loss relief, (iv) CGT deferral relief for subscriptions and, indirectly, (v) inheritance tax (IHT) relief. The reliefs, described below, which must be claimed, should be available provided the Shareholder and the Company both comply with the various requirements set out in the EIS legislation for, where applicable, the requisite periods.

#### 13.7.1 *Income Tax Relief*

EIS income tax relief allows Shareholders who are not connected with the Company to reduce the amount of their liability to income tax, provided they hold the EIS eligible shares for a three year period from the date of subscription. Generally, employees, certain paid directors and Shareholders with more than a 30 per cent. interest in the Company are deemed connected with the Company.

Shareholders may claim income tax relief at the “EIS rate”, which is currently 30 per cent., for funds used to subscribe for eligible shares in the Company, up to an annual investment limit of £1 million. Generally, the relief is available for the tax year in which the EIS eligible shares are issued, however the Shareholder has the right to elect to carry back part or a full amount of the income tax relief and apply it to the previous tax year.

#### 13.7.2 *CGT Exemption*

There is no CGT payable on gains arising on a disposal of EIS eligible Ordinary Shares in the Company (on which EIS income tax relief has been obtained and not withdrawn) where the Ordinary Shares have been held for at least three years from the date of subscription.

#### 13.7.3 *Loss Relief*

Relief is also given for any capital losses realised on a disposal of EIS eligible shares (net of any income tax relief already claimed on those shares). This loss can be offset against income of the Shareholder for the same tax year or the preceding tax year, or against chargeable gains of the Shareholder for the same tax year or carried forward against future chargeable gains. Loss relief can reduce a Shareholder’s exposure to as low as 38.5 per cent. of the initial investment (assuming a 45 per cent. taxpayer offsetting against income).

Losses offset against chargeable gains will obtain relief at either 18 per cent. or 28 per cent. for the tax year 2015/16 and at the prevailing rate in subsequent years.

#### 13.7.4 *CGT Deferral Relief for Subscription*

Shareholders may make a claim to defer the assessment of a chargeable gain (or any part of it) arising on the disposal of any asset, by reinvesting amounts arising on the disposal in EIS eligible shares, provided the subscription in EIS eligible shares is made within the period of one year before or three years after the Shareholder has realised a chargeable gain on the disposal of any asset. Unlimited CGT deferral is available to Shareholders whether or not they qualify for EIS income tax relief. Gains may be deferred until the EIS eligible shares are disposed of or, if earlier, until certain other events occur, when they will become subject to CGT at the applicable rate at that time. Deferred gains reinvested in EIS eligible shares on or after 3 December 2014 may be eligible for entrepreneurs' relief when the deferred gain comes back into charge.

#### 13.7.5 *EIS and IHT*

A holding of Ordinary Shares in the Company should generally fall outside of the charge to IHT after two years due to the interaction with IHT Business Property Relief.

#### 13.7.6 *Claiming EIS relief*

Following the issue of the Ordinary Shares, the Company will need to apply to HMRC for EIS approval and EIS3 certificates. These certificates enable a Shareholder to claim his income tax relief and CGT deferral.

Although the time taken by HMRC to grant authorisation cannot be controlled by the Company, every effort will be made by the Directors and the Proposed Directors to expedite the process and, if approval is given, EIS3 Certificates will be distributed to relevant Shareholders as soon as possible.

In order to claim income tax relief and CGT deferral, a claim must be made no later than five years after 31 January following the end of the tax year in which the Shares were issued. The responsibility for submission of the claim rests with the Shareholder.

**No guarantee can be given that EIS status will be granted or maintained for the three year period that the Shareholder needs to hold the investment in order for it to benefit from EIS income tax relief and relief from CGT.**

#### 13.7.7 *Withdrawal of EIS reliefs*

The EIS legislation sets out various rules concerning the withdrawal or reduction of EIS tax reliefs. The amount of any EIS tax reliefs which is liable to be withdrawn or reduced will depend on the particular circumstances. Shareholders should take their own professional advice in this regard. The current rules are broadly as follows:

- (a) If the Company ceases to carry on a "qualifying trade" or otherwise ceases to meet the conditions to be an EIS qualifying company before the end of the three year period from subscription of the Ordinary Shares, EIS tax reliefs can be withdrawn.
- (b) EIS tax reliefs will also be wholly or partly withdrawn if, for example, the Shareholder disposes of the Ordinary Shares during the three year holding period in relation to those Ordinary Shares (a transfer of Ordinary Shares between spouses is not deemed to be a disposal for these purposes), or if the Shareholder receives value from the Company (other than dividends which do not exceed a normal return on his investment), or if the Shareholder ceases to be eligible for EIS purposes (e.g. the Shareholder becomes connected with the Company).
- (c) EIS tax reliefs will also be denied or withdrawn if a Shareholder takes out a loan under special terms connected in any way with the subscription for Ordinary Shares.
- (d) Shareholders should be aware that in certain circumstances the withdrawal may be affected by HMRC making an assessment of tax backdated to the tax year in which

the EIS tax reliefs were given. Interest may therefore arise on the amount of the EIS tax reliefs withdrawn.

#### 13.7.8 *Notice to HMRC*

If a Shareholder obtains EIS tax relief in respect of the Ordinary Shares issued pursuant to the Subscription and becomes aware of an event that results in such reliefs falling to be withdrawn or reduced under the EIS legislation (examples of which are described above), they are under an obligation to notify the Company and to notify HMRC within 60 days of becoming aware of the event.

#### 13.7.9 *Venture Capital Trust company investors*

VCT company investors may be taxed differently on their interests in shares in the Company than other corporate shareholders. VCTs should take their own advice on the tax consequences of receiving income or capital gains from their shareholding in the Company.

### **14. Intellectual property**

The Enlarged Group is not dependent on any intellectual property licences, or patents, industrial, commercial or financial contracts or new manufacturing processes which will have a material effect on the Enlarged Group's business or profitability.

### **15. Premises and environmental**

- (a) The Company does not have any interest in real property. SSW occupies leasehold premises at Satellite House, 108 Churchill Road, Bicester OX26 4XD under the terms of a lease which is for a period of six years expiring on 24 August 2018. The annual rent under the lease is £35,000 plus VAT.
- (b) The Company is not aware of any environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.

### **16. Employees**

The Company has no and has never had any employees. As at 30 November 2014, SSW had 22 employees. As at the date of this document, SSW has 21 employees, all of whom are based out of the Company's principal place of business at Satellite House, 108 Churchill Road, Bicester OX26 4XD.

### **17. General**

- 17.1 Strand Hanson and Arden Partners have given and have not withdrawn their written consent to the issue of this document with the inclusion of their names and reference to them in the form and context in which they appear.
- 17.2 haysmacintyre has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its reports and references to its name in the form and context to which it appears.
- 17.3 The total cash expenses incurred (or to be incurred) by the Company in connection with the Acquisition, Admission and the Subscription are approximately £450,000. The total value of expenses settled through the issue of Fee Shares by the Company in connection with the Acquisition, Admission and the Subscription (which, for the avoidance of doubt excludes those 166,667 Fee Shares issued to Tom Pridmore in lieu of salary) is approximately £619,000.
- 17.4 No exceptional factors have influenced the Enlarged Group's activities.
- 17.5 Except as disclosed in this document, there have been no significant authorised or contracted capital commitments at the date of publication of this document.
- 17.6 Except as stated in this document and except for the advisers named on page 12 of this document, trade suppliers and the recipients of the Fee Shares, no person has received, directly or indirectly, from the Company within the 12 months preceding the date of this document or has entered into



any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the price per Ordinary Share of 4.5 pence or any other benefit with a value of £10,000 or more at the date of Admission.

- 17.7 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 17.8 With effect from Admission the Company's accounting reference date will be 30 November.
- 17.9 The financial information relating to the Company contained in this document does not comprise statutory accounts for the purposes of section 434(3) of the Act. The Company's auditors are haysmacintyre of 26 Red Lion Square, London WC1R 4AG and are registered to carry out audit work in the United Kingdom by The Institute of Chartered Accountants in England & Wales; the Company's first audit will be for the 14 month period ending 30 November 2015. SSW's auditors are Johnston Carmichael of 227 West George Street, Glasgow G2 2ND. Copies of SSW's audited statutory accounts for the financial year ended 30 November 2014 have been delivered to the Registrar of Companies in England and Wales. The auditors' report for the financial year ended 30 November 2014 under section 495 of the Act on those accounts was unqualified and did not contain any statement under section 498(2) or section 498 (3) of the Act.
- 17.10 The price at which the Subscription Shares are to be issued represents a premium of £0.035 above the nominal value of an Ordinary Share (which is £0.01).
- 17.11 It is expected that CREST accounts will be credited as applicable on the date of Admission. Share certificates will be despatched by first-class post within 14 days of the date of Admission.

## **18. Availability of this Document**

- 18.1 For a period of one month following Admission, copies of this document may be collected, free of charge during normal business hours, from the offices of Strand Hanson Limited, 26 Mount Row, London W1K 3SQ.
- 18.2 In addition, this document will be published in electronic form and be available on the Company's website at [www.cleevecapital.com](http://www.cleevecapital.com), which will be changing to [www.satellitesolutionsworldwide.com](http://www.satellitesolutionsworldwide.com) with effect from Admission, subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

Dated: 6 May 2015







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