

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or as to the action you should take, you should consult your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 as amended (“FSMA”) who specialises in advising on the acquisition of shares and other securities in the United Kingdom. The whole of the text of this document should be read. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should carefully consider the section entitled “Risk Factors” in Part 2 of this document, which sets out certain risk factors relating to any investment in Ordinary Shares.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

This document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the application for Admission. Accordingly, this document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the FCA in accordance with the Prospectus Rules, or approved by the FCA or any other authority.

The Directors, whose names and functions appear on page 25 of this document, accept responsibility (both individually and collectively) for the information contained in this document. To the best of the knowledge and belief of the Directors (each of which has taken 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.

Application will be made for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 22 July 2021. The Ordinary Shares are not traded on any other recognised investment exchange and no other such applications have been made.

Zenova Group PLC

(incorporated under the Companies Act 2006 and registered in England and Wales with registered number 13403221)

PLACING OF 23,684,203 ORDINARY SHARES AT 19 PENCE PER SHARE

AND

ADMISSION TO TRADING ON AIM

Nominated Adviser and Broker:

Nominated Adviser
SPARK Advisory Partners Limited

Broker and Bookrunner
Brandon Hill Capital Limited

EXPECTED SHARE CAPITAL OF THE COMPANY IMMEDIATELY FOLLOWING ADMISSION

	<i>Amount</i>	<i>Number</i>
Issued and fully paid Ordinary Shares of £0.001 each	£93,384.05	93,384,053

The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares then in issue and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

SPARK Advisory Partners Limited (“**SPARK**”) has been appointed as nominated adviser to the Company in connection with the Placing and Admission. The responsibilities of SPARK, as the Company’s nominated adviser under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. In accordance with the AIM Rules for Companies, SPARK has confirmed to the London Stock Exchange that it has satisfied itself that the

Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules for Companies and that, in its opinion and to the best of its knowledge and belief, having made due and careful enquiry, all relevant requirements of the AIM Rules for Companies have been complied with. No representation or warranty, express or implied, is made by SPARK as to any of the contents of this document and SPARK has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

SPARK, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in connection with the Placing and Admission. It will not be responsible to persons other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this document or on any other transaction or arrangement referred to in this document.

Brandon Hill Capital Limited ("**Brandon Hill**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in connection with the Placing and Admission. It will not be responsible to persons other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this document or on any other transaction or arrangement referred to in this document.

This document does not constitute an offer to buy or subscribe for, or the solicitation of an offer to buy or subscribe for, 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 of America, Canada, Australia, the Republic of South Africa 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, and will not be, registered under the securities legislation of the United States of America, any province or territory of Canada, Australia, the Republic of South Africa 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 of America, Canada, Australia, the Republic of South Africa or Japan, or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan. In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful.

The information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by subsequent purchasers of Ordinary Shares (whether on or off market) and, accordingly, no duty of care is accepted.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public AIM Rule 3 holidays) at the offices of the Company at 9-13 St. Andrew Street, London, EC4A 3AF for one month from the date of Admission. Copies of this document will also be available for download at the Company's website at www.zenovagroup.com.

IMPORTANT INFORMATION

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective investors should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see Part 2 of this document headed "Risk Factors").

Potential investors contemplating an investment in Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in Ordinary Shares.

If you are in any doubt about the contents of this document you should consult your stockbroker or your financial or other professional adviser.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this document are based on the laws and practices currently in force in England and Wales and are subject to changes therein.

This document should be read in its entirety before making any investment in the Company.

FORWARD LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Group’s future prospects, developments and business strategies.

These forward-looking statements can be identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will” or the negative of those variations, or comparable expressions, including references to assumptions. These statements are primarily contained in Part 1 of this document.

The forward-looking statements in this document, including statements concerning projections of the Group’s future results, operations, profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks to and uncertainties for the Group are specifically described in Part 2 of this document headed “Risk Factors”. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group’s actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should, therefore, specifically consider the risk factors contained in Part 2 of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

PRESENTATION OF FINANCIAL INFORMATION

The Company publishes its financial statements in pounds sterling.

The Company presents its annual accounts as of 30 November each year. The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

GENERAL NOTICE

This document has been drawn up in accordance with the AIM Rules for Companies and it does not comprise a prospectus for the purposes of Part VI of FSMA. It has been drawn up in accordance with the requirements of the Prospectus Rules only insofar as required by the AIM Rules for Companies and has not been delivered to the Registrar of Companies in England and Wales for registration.

This document has been prepared for the benefit only of a limited number of persons all of whom qualify as “qualified investors” for the purposes of the Prospectus Rules, to whom it has been addressed and delivered and may not in any circumstances be used for any other purpose or be viewed as a document for the benefit of the public. The reproduction, distribution or transmission of this document (either in whole or in part) without the prior written consent of the Company and SPARK is prohibited.

MARKET INFORMATION

The data, statistics and information and other statements in this document regarding the markets in which the Group operates, or the Group’s position therein, are based on the Group’s records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

All times referred to in this document are, unless otherwise stated, references to London time.

CURRENCIES

Unless otherwise indicated, all references in this document to “GBP”, “£”, “pounds sterling”, “pounds”, “sterling”, “pence” or “p” are to the lawful currency of the United Kingdom. All references in this document to “US\$”, “\$”, “US Dollar”, “dollars”, are to the lawful currency of the United States of America.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Donald Nicolson (<i>Non-Executive Chairman</i>) Tony Crawley (<i>Chief Executive Officer</i>) Thomas Melchior (<i>Finance Director</i>) Dr. Etrur Albani (<i>Executive Vice Chairman</i>) Alain Gottesman (<i>Non-Executive Director</i>) Fiona Rodford (<i>Non-Executive Director</i>) all of the Company's registered office
Company secretary	Orana Corporate LLP Eccleston Yards 25 Eccleston Place London SW1W 9NF
Registered office	9-13 St. Andrew Street London EC4A 3AF
Website	www.zenovagroup.com
Nominated Adviser	SPARK Advisory Partners Limited 5 St. John's Lane London EC1M 4BH
Broker and Bookrunner	Brandon Hill Capital Limited Acre House, 11/15 William Road London NW1 3ER
Legal advisers to the Company	Rosenblatt Limited 9-13 St. Andrew Street London EC4A 3AF
Legal advisers to the Nominated Adviser and Broker	Dechert LLP 160 Queen Victoria St London EC4V 4QQ
Reporting accountant and auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Registrar	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

PLACING STATISTICS

Placing Price	19 pence
Number of Existing Ordinary Shares in issue at the date of this document	54,350,000
Number of Placing Shares	23,684,203
Convertible Loan Note Shares	2,999,850
Number of Ordinary Shares in issue at Admission	93,384,053
Market capitalisation at Admission at the Placing Price	£17.74 million
Number of Warrants in issue at Admission	12,515,847
Amati Global Investors Limited right to subscribe for further shares	6,578,947
Number of Ordinary Shares on a fully diluted basis at Admission	112,478,847
Estimated expenses of the Placing	£0.82 million
Estimated net proceeds of the Placing receivable by the Company	£3.68 million
ISIN	GB00BNVVH568
SEDOL	BNVVH56
TIDM	ZED
LEI number	213800QXC9WBOBNBQS55

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	16 July 2021
Admission effective and dealings in the Ordinary Shares commence on AIM	8 a.m. on 22 July 2021
CREST accounts credited	22 July 2021
Despatch of definitive share certificates (where applicable)	by 5 August 2021

Each of the dates in the above timetable is subject to change at the absolute discretion of SPARK, Brandon Hill and the Company.

DEFINITIONS

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

“£”, “pounds” and “pence”	the legal currency for the time being of the United Kingdom;
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“AIM”	the market of that name operated and regulated by the London Stock Exchange;
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time, which set out the rules, responsibilities and guidance notes in relation to companies whose shares are admitted to trading on AIM;
“AIM Rules for Nominated Advisers”	the AIM rules for nominated advisers published by the London Stock Exchange from time to time;
“Andrew Muir Convertible Loan Note Agreement”	the convertible loan note agreement between Zenova Ltd and Andrew Muir dated 11 March 2021 for the issue of £30,000 unsecured convertible loan notes in Zenova Ltd which was novated to the Company pursuant to a deed of novation dated 26 May 2021;
“Articles”	the articles of association of the Company adopted, by special resolution on 28 May 2021 (as amended);
“Broker” or “Brandon Hill”	Brandon Hill Capital Limited (incorporated and registered in England and Wales with registered number 04258441), the Company’s broker and bookrunner;
“Companies Act”	the Companies Act 2006 (as amended);
“Company”	Zenova Group plc (incorporated in England and Wales with registered number 13403221);
“Convertible Loan Note Agreements”	together the Andrew Muir Convertible Loan Note Agreement, the Four Grant Investments Ltd Convertible Loan Note Agreement, the John Harvey Convertible Loan Note Agreement, and the Nigel Lockett Convertible Loan Note Agreement;
“Convertible Loan Note Shares”	the 2,999,850 new Ordinary Shares to be issued by the Company pursuant to the Convertible Loan Note Agreements;
“Convertible Loan Note Holders”	Four Grant Investments Ltd, John Harvey, Nigel Lockett and Andrew Muir (and each being a “ Convertible Loan Note Holder ”);
“CREST”	the electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & Ireland Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended);
“Directors” or “Board”	the directors of the Company, whose names appear on page 25 of this document, or a duly authorised committee thereof;
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA, as amended;
“EIS”	means the enterprise investment scheme, as particularised in Part V of the Income Tax Act 2007;
“EIS Relief”	relief from UK tax under EIS;
“Enlarged Share Capital”	the issued Ordinary Shares following the Placing and conversion of the Convertible Loan Agreements comprising the Existing Ordinary Shares and the New Ordinary Shares;

“Existing Ordinary Shares”	the Ordinary Shares in issue as at the date of this document;
“FCA”	the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“Four Grant Investments Ltd Convertible Loan Note Agreement”	the convertible loan note agreement between Zenova Ltd and Four Grant Investments Ltd dated 8 March 2021 for the issue of £50,000 unsecured convertible loan notes in Zenova Ltd which was novated to the Company pursuant to a deed of novation dated 26 May 2021;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Group” or “Zenova”	the Company and its subsidiaries and each a “ Group Company ”;
“HMRC”	HM Revenue and Customs;
“Intertek”	Intertek Group plc, a British multinational assurance, inspection, product testing and certification company headquartered in London, England;
“ITA”	the Income Tax Act 2007;
“John Harvey Convertible Loan Note Agreement”	the convertible loan note agreement between Zenova Ltd and John Harvey dated 17 November 2020 for the issue of £200,000 unsecured convertible loan notes in Zenova Ltd which was novated to the Company pursuant to a deed of novation dated 26 May 2021;
“Lock-in Agreements”	the lock-in deeds entered into by the Directors, the Locked-in Shareholders, the Company, the Nomad and the Broker, details of which are set out in paragraph 21.8 of Part 4 of this document;
“Locked-in Shareholders”	together, Tony Crawley, Etrur Albani, Linden Holdings (Malta) Limited, 1291207 B.C Ltd, 1291211 B.C. Ltd, Paul Williamson, Rockmasters Limited and Motus Distribution Limited;
“London Stock Exchange”	London Stock Exchange plc;
“MAR”	as applicable: <ul style="list-style-type: none"> (a) the market abuse regulation (EU) No 596/2014 (“EU MAR”); or (b) EU MAR as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018;
“New Ordinary Shares”	the 39,034,053 new Ordinary Shares to be issued by the Company pursuant to the Placing, pursuant to the ZDL Share Exchange Agreement and the Convertible Loan Note Shares;
“Nigel Lockett Convertible Loan Note Agreement”	the convertible loan note agreement between Zenova Ltd and Nigel Lockett dated 11 March 2021 for the issue of £100,000 unsecured convertible loan notes in Zenova Ltd which was novated to the Company pursuant to a deed of novation dated 26 May 2021;
“Nomad” or “SPARK”	SPARK Advisory Partners Limited (incorporated and registered in England and Wales with registered number 03191370), the Company’s nominated advisor;
“Official List”	the Official List of the FCA;
“Ordinary Shares”	ordinary shares of £0.001 each in the capital of the Company;
“Panel”	the Panel on Takeovers and Mergers;
“Placing”	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;

“Placing Agreement”	the conditional agreement dated 13 July 2021 between the Nomad, the Broker, the Company, and the Directors relating to the Placing, details of which are set out in paragraph 21.2 of Part 4 of this document;
“Placing Price”	£0.19 per Placing Share;
“Placing Shares”	the New Ordinary Shares;
“Prospectus Rules”	the Prospectus Regulation Rules made by the FCA pursuant to section 73A of the FSMA from time to time;
“QCA Code”	the corporate governance code for small and mid-size quoted companies published by the Quoted Companies Alliance from time to time;
“Registrars”	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD;
“Relationship Agreement”	the relationship agreement entered into between the Company, SPARK and Motus Distribution Limited and Rockmasters Limited dated 16 July 2021
“Rule 9”	has the meaning given in paragraph 21 of Part 1 of this document;
“Share Exchange”	the share exchange with the shareholders of Zenova Ltd pursuant to the Share Exchange Agreement;
“Share Exchange Agreement”	the share exchange agreement between the Company and the shareholders of Zenova Ltd dated 20 May 2021;
“Shareholder”	a holder of an Ordinary Share;
“Subsidiaries”	Zenova Ltd and, with effect from Admission, ZDL, each a subsidiary of the Company*;
“Takeover Code”	the City Code on Takeovers and Mergers published by the Panel from time to time;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	recorded on a register of securities maintained by Euroclear UK & Ireland Limited in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“VCT”	a Venture Capital Trust as defined in Part 6 of the Income Tax Act 2007;
“ZDL”	Zenova Distribution Ltd (Company number 12884314), whose registered office is at 160 Camden High Street, London NW1 0NE;
“ZDL Share Exchange Agreement”	the share exchange agreement between the Company and Motus Distribution Limited dated 6 July 2021 and conditional on Admission; and
“Zenova Ltd”	Zenova Ltd (Company number 12412411), whose registered office is at The Hermitage, 15a Shenfield Road, Brentwood, Essex CM15 8AG.

References to the singular shall include references to the plural, where applicable, and vice versa. Any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it.

*ZDL shall become a subsidiary of the Company on Admission.

PART 1

INFORMATION ON THE ZENOVA GROUP

1. INTRODUCTION

The Group, through Zenova Ltd, is the holder of intellectual property to underpin a suite of fire safety and temperature management products and technology. The product range is applicable to industrial, commercial, and residential markets. The intellectual property is largely unprotected by patents and is centred around a commercially confidential formula which when applied to various products has significant fire retardancy benefits.

Zenova's products have been independently tested and verified with what the Directors believe to be superior results when compared to current products in the fire safety and insulation industry. The Group's products, which incorporate nano technology integrated chemistry, are versatile, non-toxic and environmentally friendly. The Group is led by a highly experienced international Board and management team, with its head office located in the UK.

The Board is seeking for the Company's shares to be admitted to trading on AIM to continue the commercialisation of Zenova's intellectual property. The Directors believe that growth will be driven by increasing standards and regulation in the global fire safety and insulation industry. The Group will leverage the Board and Senior Management's expertise, experience and contacts in the fire-safety and insulation industry to drive value creation in the Group. Further information on the Board and Senior Management is set out in paragraph 12 of this Part 1 of this document.

The Company has conditionally raised £4.5 million (gross) through a Placing of 23,684,203 new Ordinary Shares at the Placing Price of £0.19 per share. The Placing is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 22 July 2021 or such later date (being no later than 14 August 2021) as the Company, SPARK and Brandon Hill may agree.

2. COMPANY'S HISTORY AND DEVELOPMENT

The research and development of Zenova's products commenced in 2017. The founders of the Group are vastly experienced in the fire safety and insulation industry with prior roles including professional fire-fighting, engineering and innovation. A significant driver behind the Group's formation was a perceived lack of technological advancements in the industry. In the Director's opinion, the landscape of fire safety has seen little significant development for more than fifty years, resulting in fire-fighters across the world using archaic technology, that is not only resource exhaustive but can also produce harmful by-products. Realising the inherent gap in the market, the team, led by Tony Crawley, the Company's Chief Executive Officer, developed effective methods of deterrence, focusing first on fire extinguishing fluid and associated hardware systems. Following encouraging test results, the founders increased the range of products in development to include paints and renders. By using innovative mixes, refining the formulation and development process, the team were able to produce industry leading solutions to a number of fire protection and temperature management problems. This was achieved without compromising the sustainability of natural and economical resources, including personal health and safety.

Zenova Ltd was formed on 20 January 2020 as a vehicle to commercialise the intellectual property created by the founders. To date, Zenova has developed and had tested an industry leading product range and procured manufacturing and distribution agreements. The Group has already received expressions of interest from end customers under framework agreements which the Group will begin to fulfil utilising the proceeds of the Placing. ZDL is responsible for sales by the Group. Zenova has outsourced manufacturing of its paints, renders and fire extinguishing fluid to a specialist manufacturer and is in the process of procuring an additional manufacturer for its fire extinguisher and ceiling sprinkler products.

In accordance with the terms of the ZDL Share Exchange Agreement, on Admission, the Company will acquire ZDL, its sole distributor for a total consideration of approximately £2.4 million to be satisfied by the issue of Ordinary Shares. Although ZDL is yet to trade, it has procured multiple end client distribution and sub-distribution agreements which will form the basis of the Group's sales. Further details of the agreement between Zenova and ZDL are provided in Part 4 section 21.7 of this Document.

3. CERTIFICATION AND REGULATORY FRAMEWORK

In an effort to improve the safety and efficiency of buildings, governments worldwide are continually reviewing and updating fire safety regulations. The Group's products are designed to conform to global regulatory criteria and the Directors are committed to adapting products as required to meet changes in regulation. Each geographic region of the world has different regulations, however legislation across each is similar and some countries accept test and performance data from accredited agencies in other countries. Moreover, different industries may require different testing.

The British Standards Institution (certificates are denoted by BS) is the prominent certifying body for fire safety in the United Kingdom, European Standards (EN) play a similar role across Europe and Underwriters Laboratories (UL) the same in North and South America. The Directors believe that the three bodies combined represent the vast majority of all certified standards and are recognised globally, countries such as Australia for instance use a combination of the three bodies. Certification under the three bodies is carried out by authorised testing providers.

In addition, there are recognised independent testing bodies, many of which are part of large international product assurance companies, which provide formal testing of products. These tests, in the belief of the Directors, are generally more stringent than certain certification standards and are designed to assess the specific performance of a product, rather than quality assurance more generally which is a focus of certification.

Required Certification

Fire Extinguishers and Extinguishing Fluid

EN 3 specifies requirements for portable fire extinguishers. Compliance with EN 3 is required by the regulation which governs the sale of fire extinguishers to businesses and public bodies in the UK and EU.

Similarly, UL certification is required for sales to business and public bodies in the USA, Canada and across South America.

Customer Driven Testing and Certification

Paints and renders must conform to Safety Data Sheets which ensure the products can be used safely without risk of harm to users or the environment. They provide information on chemical products that help users make a risk assessment by describing the hazards present and giving information on handling, storage and emergency measures in case of accident. The testing and certification undertaken by the Group for paints and renders is entirely customer driven; some customers require products to hold specific certifications or to have passed certain tests, others rely on product trials, demonstrations or existing accreditations. The Directors believe that the Group's products are tested to an appropriate level so as to satisfy the requirements of its broad customer base. In the event that a customer requires a specific new test or certification, the Group will engage the relevant body to carry out the test process and secure the sale. In the Director's experience, the testing process can be completed in a matter of weeks and should not delay any potential revenue streams. The Group's products hold a portfolio of successful test results, which the Directors believe, address the requirements of the majority of potential customers.

Fire Retardant Paints

There are a range of testing procedures applicable to fire retardant paints. For example, where paint is applied to a surface which is then exposed to a direct flame for a specified time period, a pass or fail is determined by whether the surface material stays intact for the duration of the test. This test can be completed over a number of benchmark time periods (typically from 15 minutes to 3 hours) and on different surface materials such as wood, metal and concrete. A certification will be granted for each time period and surface material. In addition, tests and certification are available to assess the efficacy of fire-retardant paint in preventing flame or smoke spread. Similarly to direct flame exposure, these tests are undertaken over a specified period of time and on differing base materials.

Insulating Paint and Render

As with fire retardant paints, there are a number of tests and certifications that can be accredited to insulating paints and renders. For example, to assess performance in terms of insulating ability, levels of solar reflection and to ensure the paint or render meets required fire spread standards.

The tests are carried out with the product applied to different base materials and exposed to heat, cooling or fire for different time periods, each combination is represented by a different certification or test number. In addition, insulating paints and renders undergo testing for condensation properties alongside anti-corrosion assessments.

4. THE GROUP'S PRODUCTS AND MARKETS

The Global Market for Fire Safety and Insulation

The global fire protection system market is expected to grow from approximately \$67 billion in 2020 to approximately \$95 billion by 2025. The significant growth is driven by increasingly stringent regulations, human and property loss, climate change and growing demand for safety systems from a number of industries including manufacturing, utilities, and mining. Moreover, the Directors believe that growing urbanisation and increased construction activities will lead to further increases in market value. The Directors also believe that the market is currently experiencing an upsurge in demand for environmentally friendly technologies.

The market is led by large international companies, with operations across a number of sectors in addition to fire safety, this is due in part to the typically time consuming and high-cost research and development necessary to bring new products to market. The Directors believe that many of the leading companies are taking measures to benefit from the opportunities in what they consider to be a growing market and are focusing on modernising and revamping their equipment for enhanced safety. There is an increased level of merger and acquisition activity in the industry, allowing companies to expand their customer base and enhance product offerings. The Directors believe that the Group's products are technologically superior. Moreover, the goal is to obtain an extensive portfolio of independent tests and certificates to better position in the market.

Fire Safety in the UK

Between 2015 and 2019, the passive fire protection market in the UK experienced a period of continued growth, increasing in value terms by 11% and reaching a total value of over £700 million in 2019. Much of this growth can be attributed to a positive performance of the non-residential construction industry which includes commercial offices, infrastructure, leisure and entertainment. The UK Government spent approximately £3 billion on fire-protection services in 2019-2020, the highest level since 2010-2011.

Zenova's Products

Zenova FP – Fire Protection Paint

Zenova FP is a water-based paint that provides effective passive fire protection to structures, divisions, process vessels, pipework, equipment and other areas that could be exposed to fire hazards. When exposed to heat, the paint begins to soften, which allows its component chemicals to react and create a foam, helping to cool the substrate. With continued exposure to heat, a carbonisation occurs and the foam solidifies, forming an insulating barrier that protects the underlying material from the heat. As a result, treated materials become isolated from elements that maintain fire combustion as the paint turns into an insulating protective membrane.

Zenova FP is versatile and can be applied to multiple surfaces including wood, metal, and polyurethane foam. It operates effectively in a wide range of temperatures, from minus 40°C to +80°C. Moreover, Zenova FP is non-toxic and environmentally friendly.

Zenova FP is sold with the Group's specially formulated primer, which prepares the surface for application of fire-retardant paint and enhances its effectiveness.

Zenova FP Product Benefits

- Enhances the fire resistance and retardant capability of any product.
- Can be applied to a variety of substrates including wood, metal, and plastic.
- During a fire, Zenova FP emits no harmful gases or smoke.
- Zenova FP is easy to apply and has a short drying time.
- Will be available in various colour choices for application in all settings.

Zenova FP Certification and Testing

Zenova FP holds the required Safety Data Sheet, which ensures that the product can be used safely without risk of harm to the user or the environment.

Test	Testing Agency	Description and Result
BS EN 11925-2	Warringtonfire	Test carried out on 9mm dry, untreated plywood painted with Zenova FP at a thickness of 0.75mm. The test concluded that the addition of Zenova FP stopped flame spread.
BS EN 13823	Warringtonfire	Test carried out on 9mm dry, untreated plywood painted with Zenova FP at a paint thickness of 0.75mm. The test concluded that the application of Zenova FP made the plywood fire resistant.
UL 723 CAN/ULC S102	Intertek	Test carried out on 5/8-inch-thick plywood painted with Zenova FP at a paint thickness of 1.3mm. Concluded that Zenova FP stops flame spread and does not contribute significantly to smoke development.

The Directors intend to continue advancing the testing and certification programme for Zenova FP in order to meet a wider range of customer requirements and maintain what they believe to be a significant competitive advantage.

Zenova FP Market Size

The value of the global fire-resistant coatings market was estimated at \$933 million in 2020 and is projected to reach \$1.1 billion by 2025.

Most traditional paints lack fire retardant properties and some are even flammable. In addition to the growth of the fire-resistant coatings market, the Directors believe that fire retardant paints have substantial growth potential and the opportunity to obtain market share from the larger overall paints market, since fire-resistant paints are often available in traditional colour options. (The paints and coatings global market size is projected to grow from approximately \$147 billion in 2020 to approximately \$179 billion by 2025).

Growth in the fire-resistant coatings market is expected to be driven by rising recognition of, and focus on, safety initiatives, in addition to a preference for lightweight materials that require additional protection. The industry is also benefiting from increasingly strict regulations, as new buildings must meet the respective safety and fire resistance standards.

Whilst the focus for some fire-resistant applications is on new construction projects, it is the belief of the Directors that the maintenance of existing commercial and residential projects is a substantial opportunity for further growth.

Market subsets:

- The building and construction industry is estimated to account for the largest share of sales in the fire-resistant coatings market.
- The water-based coatings segment is estimated to have the majority share of supply in the fire-resistant coatings market. The major factor driving this segment is the increasing demand for environmentally friendly products. Water-borne coatings are easier to clean up, reduce the risk of fire, and result in less exposure to volatile organic compounds (VOC).
- By application technique, the spray segment is estimated to have the majority share in the fire-resistant coatings market. This technique is faster than traditional methods, more efficient, requires fewer coats, provides a smoother finish and can be used to coat complex shapes.

Zenova IP and IR – Insulating Paint and Render

Zenova IP is a single-component thermal insulating paint. It is an ecologic product based on ceramic microspheres that present thermal insulation, thermal reflection, anti-condensation and anti-mould properties. It is suitable for use on exterior and interior facets, on any type of surface and provides insulation against cool and hot environments in addition to protection against thermal and infrared radiation.

Like Zenova FP, Zenova IP is versatile and can be applied to various surfaces, such as roofs, pipes, hot water ducts, boilers, reservoirs, etc. It can be applied directly to hot surfaces (recommended application temperature is 10 – 130°C), which saves customers from shutting down machinery and application can be carried out by brush, roller or airless spraying, with no special measures of protection necessary.

Zenova IR is a ready mixed lightweight render for interior and exterior walls to enhance effectiveness of insulations creating a heat shield. It is a mono-component and ecologic product based on ceramic microspheres. It creates more effective insulation by filling all cavities and gaps regardless of geometric shape, hence creating a vacuum – the most effective insulator. It is easy and fast to apply in new constructions and to retrofit existing installations. The Directors believe that Zenova IR reduces costs for insulation materials, heating and cooling. It is odourless and has anti-mould and anti-condensation properties.

As with Zenova FP and Zenova IP will be sold with the Group's primer, which prepares the surface for application and improves the effectiveness of the product.

Zenova IP and IR Product Benefits

- Application of Zenova IP and Zenova IR significantly reduces heating and cooling costs.
- Only a thin layer (1mm to 5mm) of Zenova IP is required and application is simple.
- Like Zenova FP, Zenova IP can be applied to almost any surface.

Zenova IP and IR Certification and Testing

Zenova IP and IR hold the required Safety Data Sheet, which ensures that both products can be used safely without risk of harm to the user or the environment.

Test	Testing Agency	Product	Description and Result
ASTM C131 ASTM C1549 ASTM E1980	Intertek	Zenova IP	Test carried out on metal panels painted with Zenova IP at a paint thickness of 0.78mm. Concluded that Zenova IP has high levels of solar reflectance and high thermal emittance.
EN 11925-2	Warringtonfire	Zenova IP	Test carried out on 9mm dry, untreated plywood painted with Zenova FP at a paint thickness of 1.6mm. Test concluded that the addition of Zenova IP does not enhance flame spread.
ASTM C518-17	Intertek	Zenova IR	Test was carried out on 3 samples of dry, untreated plywood with a trowelled application of Zenova IR at a thickness of 9mm. Test concluded that Zenova IR has very low thermal conductivity, proving its effectiveness as an insulating barrier.
BS EN 11925-2	Warringtonfire	Zenova IR	Test was carried out on 9mm dry, untreated plywood with a trowelled with application of Zenova IR at a thickness of 5mm. The test concluded that the addition of Zenova IR does not enhance flame spread.
BS EN 13823	Warringtonfire	Zenova IR	Test was carried out on 9mm dry, untreated plywood with a trowelled with application of Zenova IR at a thickness of 5mm. The test concluded that the application of Zenova IR improved the substrates fire resistance.

As with Zenova FP, the Directors intend to continue advancing the testing and certification programme for Zenova IP and IR to meet a wider range of customer requirements and maintain what they believe to be a significant competitive advantage.

Zenova IP and IR Market Size

Thermal protection and condensation resistance is provided by insulation. Insulation coating materials aid in the reduction of heat transfer between various major elements in a variety of industries and can provide protection against thermal fatigue, corrosion, melting, and warping.

The global market is expected to grow from \$8.6 billion in 2018 to \$14.5 billion by 2025. This growth is fuelled by rising consumer awareness of energy conservation, supportive government policies and increased investment in environmentally friendly insulation materials. Moreover, there is increasing demand for more effective products in the industrial, manufacturing and construction industries.

Zenova FX – Fire Extinguishing Fluid and Applications

Zenova FX is a fire extinguishing fluid for use against any type of fire in fire extinguishers and ceiling sprinklers, in bulk by fire engines or dropped on large scale fires. It is the belief of the Directors that most fire extinguishing liquid removes only one of the three components of the fire – fuel, oxygen or heat, whereas Zenova FX targets all components. It suffocates the fire by removing oxygen and instantly removes heat, vastly reducing the chances of re-ignition. Due to its inherent versatility, Zenova FX has a range of applications. The fluid is available in small or large quantities for use in fire extinguishers through to thousands of litres dropped by aircraft on large scale forest fires.

The effectiveness of Zenova FX has led the Group to develop its own line of fire extinguishers and ceiling sprinklers. The Company has applied for a patent for the Company's fire extinguisher line filled with proprietary fluid. The extinguishers can be used on all fire types and will contain Wi-Fi-enabled technology that indicates when the extinguisher has been used, its location, and pressure levels via a 24/7 automated remote monitoring system. Full-size extinguishers are available in three sizes, (two, six and nine litres), and the Group also produces a small handheld extinguisher with a volume of 600 millilitres. Zenova CS, the Group's ceiling sprinkler is currently in the final stages of development and works in a similar way to the fire extinguisher, further details of Zenova CS and its timing for reaching the market are detailed in section 8.

Zenova FX Product Benefits

- Zenova FX can be used on all fire types, this removes the need for customers to purchase multiple extinguishers for different purposes.
- Zenova FX is far more efficient than traditional firefighting fluids, less fluid is required which saves cost and is more environmentally friendly.
- Zenova FX is user friendly, it is safe to use, non-toxic, versatile and effective, shortening fire-fighting time.

The Directors believe that Zenova FX is far superior to traditional firefighting using water and provides the following benefits when its effectiveness is assessed on a typical car fire:

<i>Time to extinguish and prevent reignition</i>	less than one minute
<i>Volume of product</i>	nine litres
<i>Manpower</i>	one person

Zenova FX and Applications Testing and Certifications

The Group's fire extinguisher is due to be tested and certified to EN3. Once this test is successfully completed and certification granted, the Directors expect to begin making sales in the UK and Europe. Following this, the Directors intend to undertake certification of the fire extinguisher line under UL, it is then anticipated that sales will be made in the USA and Canada. Certification to EN 3 and UL will also enable the Group to make sales in other geographic regions.

Zenova's smaller 600 millilitre fire extinguisher is not required to be certified however it will be tested by an independent third-party testing company. The Directors believe that this will enable sales of the product globally.

Zenova FX holds the required Safety Data Sheet. In order to make sales of Zenova FX for firefighting by aircraft, the fluid will require testing and certification for effectiveness on wood and

vegetation when dropped from a height. The requisite tests will be undertaken post Admission, utilising part of the fundraising proceeds.

Zenova FX and FX Market Size

The Directors believe that the demand for extinguishing fluid is driven by demand for its three most common applications, fire extinguishers, ceiling sprinklers and as forest fire fluid.

The global fire extinguishers market is expected to grow at 4.6% CAGR and reach \$8.3 billion in value by 2027. In the belief of the Directors, existing fire extinguishers are rapidly becoming ineffective in complying with new legislation levied by a number of countries and environmental organisations. Many governments are introducing more stringent safety regulations in order to prevent incidents caused by unintentional fires. Fire extinguishing devices are being marketed for use in residential, commercial, and public buildings. Furthermore, insurance companies have a notable impact on the industry, which leads to the installation of fire extinguishers in the majority of insured commercial buildings.

The estimated value of the global ceiling sprinklers market was \$10 billion in 2019 and is projected to hit \$14.5 billion by 2027, which represents a 6.5% CAGR. The most common types of fire sprinkler systems include wet pipe fire sprinklers, dry pipe fire sprinklers, deluge systems and pre-action systems.

The Directors believe, from recent experience, that the frequency and severity of forest fires is increasing due in part to global warming. It is expected that this market will continue to grow and present revenue opportunities for the Group.

5. KEY STRENGTHS OF THE GROUP

Technology

Independent testing shows that Zenova's proprietary technology and secret formulas for paint and fluid are far superior to other products available in the market. The secret formulas are key assets of the business and are treated as a trade secret. The knowledge of each formula's composition is restricted to only a few individuals within the Group and is safeguarded by the Group's lawyers. Patent applications have been submitted to the Intellectual Property Office for the Group's fire extinguisher and ceiling sprinkler technology. The Directors believe that if the Group patented its products, the public nature of the process would make the Group vulnerable to competitors producing rival products using similar formulas and methods. The Directors consider the risk of rival products to be less prevalent if the formulas remain a trade secret and unpatented.

Testing and Certification

The Group has a portfolio of successful test results and certifications that the Directors believe to be more complete than any of the Group's competitors. The Directors believe that Zenova's range of results and certification enables the Group to meet the requirements of the majority of customers and therefore build substantial market share. As the Group develops, the Directors intend to continue investing in testing and certification, to maintain what they believe to be a key competitive advantage for the Group.

Product Range

Zenova has an extensive and diverse range of products, which the Directors believe cover many prominent aspects of fire protection and heat management. This allows the Group's products to be sold to numerous clients and with differing needs, it also offers the opportunity to secure large contracts with customers who require multiple products. Furthermore, diversity in the product range reduces the Group's exposure to changes in regulation affecting specific products or market niches. In the opinion of the Directors, Zenova's expertise across multiple products positions it favourably to take advantage of opportunities in product areas as they emerge.

Low Installation and Maintenance Costs

The Group has made significant investment in R&D to develop solutions that can improve modification, installation times and reduce overall costs. The Directors believe that making the products, installation and maintenance affordable is crucial for steady growth for the Group.

The Group's products do not require specific or extensive training to install, are versatile and will be monitored via Wi-Fi-enabled technology which will further reduce servicing costs. Moreover, the Group's products are not only less expensive weight for weight than some competitors, but also more effective and stable over a long period of time.

Regulatory Framework

In the wake of recent high-profile fires that have caused significant loss of life and damage, the Directors believe that there will be a continued focus from the UK Government on increasing fire safety which will lead to the introduction of more stringent requirements on new and existing buildings of all types. The Directors consider that such requirements will result in an increase in demand for fire safety and prevention products and Zenova's diverse and effective product range positions it well to capitalise on this.

Environmental Credentials

The Directors believe that the need for environmentally safe products has never been greater with the global focus towards achieving net zero carbon emissions. This presents a substantial opportunity as governments around the world are pushing for more energy efficient structures in all sectors and are offering numerous grants to further this initiative.

The Group's expertise in innovation and R&D brings to the market environmentally friendly fire fighting and temperature management solutions that:

- are non-toxic;
- reduce energy and resources consumption and costs;
- reduce environmental impact;
- suppresses/extinguishes multiple fires quickly; and
- operate over a wide range of surfaces and temperatures.

Team

The Directors and Senior Management have substantial experience covering firefighting, fire protection products, distribution, supply chain management and business development. The Directors believe that this combination of expertise is a significant competitive advantage and will allow the Group to grow and fulfil its potential by becoming a global market leader in fire safety products.

6. BUSINESS MODEL

Zenova is a creator of innovative fire and temperature management products which utilise its proprietary technologies and know how. The Group is not, and does not intend to be, a manufacturer of its end products. The Group has entered into a manufacturing agreement with an independent third-party manufacturer to produce its products in Europe and North America. The Group has entered into a distribution agreement with ZDL on an exclusive basis for all of Zenova's products. Further details of the agreement between Zenova and ZDL are provided in Part 4 section 21.7 of this Document.

Sales Process

All marketing efforts will be undertaken by the Group, whilst all sales will be made by ZDL. All sales will concentrate on large business-to-business accounts in sectors such as construction, manufacturing, and industrial and public sector bodies. ZDL will target sales directly to the end user, by appointing sub-distributors to make sales on its behalf and engage with fire safety consultants that advise the end user. In the experience of the Directors, large businesses, and public sector bodies in particular, engage the expertise of accredited industry specific consultants to review their particular requirements and provide recommendations on the most appropriate approach. The Group's outsourced manufacturers will produce the required products and ZDL will arrange delivery to either the sub-distributor or directly to the end user in pre-determined quantities.

ZDL will also target sales directly to the end user. In this case, the manufacturers will produce the necessary products and ZDL will arrange collection, warehousing and delivery to the end user. The

Directors anticipate that due to standard market practices, the majority of sales will be made to sub-distributors who hold relationships with end users.

Products will be marketed via the following channels:

- attending industry trade shows and providing demonstrations;
- creating and distributing print marketing materials for each product line;
- distributing product samples;
- educational webinars, seminars and training on a one-to-one basis and via an e-platform (www.zenovagroup.com); and
- developing social media and specific industry focused advertising campaigns.

The Group intends to target sales in the UK, Canada, and Australia initially, and will expand across Europe, the USA, Middle East and other locations within the first twelve months following Admission.

Manufacturing

It is intended that all manufacturing will be subcontracted to specialist manufacturers in each category of product. The Group will source and approve the manufacturing components and processes to be used by the manufacturers in advance of first production. Zenova will maintain responsibility for ongoing manufacturing oversight and implementation of manufacturing strategy based on forecasts and evident product supply and demand levels. The manufacturing process for all products is not complex and the time scale to produce finished goods is short. The Group has entered into a detailed manufacturing contract with a manufacturer to produce the initial volumes of its paint, primer, renders and firefighting fluid. Further details of the agreement are provided in Part 4 Section 21.12 of this Document. The Group is in discussions with other manufacturers regarding agreements to produce other products including fire extinguishers and ceiling sprinklers.

Zenova IR, IP, FP and FX

Under the terms of the manufacturing contract, all paint, primer and rendering solutions will be manufactured and packaged in appropriately sized tins and canisters in the UK, Canada and Europe by the manufacturer. Brand labelling and packaging will also be carried out by the manufacturer under Zenova's guidance. The manufacturer will also produce Zenova FX fluid which will be supplied in a range of container sizes dependant on the end use.

The Directors believe that the manufacturer has sufficient capacity to meet forecast production levels in the first two years from Admission. The Directors are in negotiations with additional manufacturers to support the Group's growth in the short to medium term. The Directors will assess the Group's manufacturing requirements on an ongoing basis to monitor capacity and procure additional manufacturers or work with existing manufacturers to expand production as necessary.

Zenova Fire Extinguisher and Ceiling Sprinkler

The Directors believe, based on advanced discussions with the identified manufacturer, that the Group's fire extinguisher and ceiling sprinkler, will be manufactured in Europe by a single manufacturer. The manufacturer will be responsible for assembly of the products and purchase of components that will be initially sourced and approved by Zenova. All brand labelling and packaging will be carried out by the manufacturer under Zenova's guidance.

The Directors are confident that the identified manufacturer has the capacity to meet the volumes of product required to meet indicative customer demand levels in the short to medium term post Admission.

Distribution

Zenova Ltd has entered into a supply and distribution agreement with ZDL for a minimum term of 15 years after which the agreement continues, unless terminated in accordance with the termination provisions.

The Group has signed sub-distribution agreements for Australia, New Zealand and UK territories and is in process of assigning sub-distributors for Japan, Vietnam and Germany.

Supply Chain

The Group will adopt a “pull supply chain” strategy with acceptable constant inventory levels not exceeding an appropriate level of total orders, which underpin manufacturing levels, at any given point in time. The process of production, assembly, and distribution of all products will be driven by customer demand and the process of manufacturing goods will start only once an order is received from ZDL. Such strategy will enable the Group to ensure manufacturing capacity is available, minimise customer delivery times and limit inventory accumulation and carrying costs.

Pricing

The Group will implement product pricing that is at the same level or a slight discount to its competitor’s current prices, while offering superior performance and quality. The Directors believe that this pricing strategy will allow faster and smoother market penetration and will sustain competitive advantage in the long-term.

Sales and marketing activities will focus on large key business-to-business accounts. Due to the competitive pricing point and performance of the Group’s products, the Directors do not expect prices to fall as the Group grows and receives bulk orders.

7. INTELLECTUAL PROPERTY

The Directors have not sought to patent the Group’s secret formulae of chemicals used in its paints and renders in order to prevent public disclosure. However, patents have been applied for in the case of fire extinguishers and ceiling sprinklers.

A patent application for “An improved fire extinguisher” was submitted on 8 January 2021 and is currently pending (with patent application number: GB2100257.1)

On 8 April 2021 the Group submitted a patent application, number GB2105006.7, to the Intellectual Property Office to apply for a patent for the ceiling sprinkler unit.

A fire suppression system

Such application is shown in the public library:

<https://www.ipo.gov.uk/p-ipsum/Case/ApplicationNumber/GB2105006.7>

Your attention is drawn to the Risk Factors set out in Part 2 of this Admission Document.

8. RESEARCH AND DEVELOPMENT AND NEW PRODUCT LAUNCHES

It is the belief of the Directors that Zenova’s products are far superior to those offered by its competitors. The Group is committed to continuously developing and improving its products in order to maintain competitive advantage. The Group has a small research and development team, engaged under consulting agreements, that is involved in product testing, development and refining the formulas and processes used for production. It is anticipated that in the short to medium term, the Group’s R&D efforts will primarily focus on the final stages of development for new products and the requisite testing and certification processes for new products to be taken to market. Once this has been completed, the Group will continue to invest to increase its portfolio of successful test results and certification. The Directors believe that this will maintain what they believe to be the Group’s significant competitive advantage.

In addition to its current product line, Zenova has the following products under development:

Zenova CS – Ceiling Sprinklers

Zenova CS is an advanced and patent pending ceiling fire sprinkler that extinguishes all fire types via self-contained automatic fire suppression, removing the need to install large fluid tanks, piping, equipment and software. The sprinklers use Zenova’s FX fluid meaning they can extinguish all fire types and, in the belief of the Directors, crucially for many customers, can be installed in kitchens which is rare for conventional sprinklers due to a common use of water. The Directors believe that Zenova CS extinguishes more fire in a shorter time than conventional fire sprinklers.

In November 2020, the UK Government implemented a requirement for automatic fire sprinklers in all new built flats over 11 metres in height, the Directors consider this to be a significant opportunity for the Group.

Zenova CS is undergoing the final stages of development. The Directors believe that the ceiling sprinkler will be brought to market within six months from Admission.

Zenova WB – Forest Fire Fluid

Zenova WB will be a fire-retardant fluid that can be applied to forested areas, shrubs and grass, as well as property and buildings in high-risk areas in advance of potential fire encroachment. The fluid will prevent the surfaces from igniting which, in turn, prevents the fire from spreading and allows firefighters to bring the fire under control more easily. The Directors believe that as a consequence of global warming, wildfires are increasing year on year with devastating effects on lives, property and the environment. The Directors believe that Zenova WB has a substantial market globally.

Zenova WB has been designed to be sold commercially for emergency services and as a retail product for homeowners. It is applied with a simple pump sprayer and will be sold either as a concentrate or pre-diluted.

Zenova WB has passed independent environmental and toxicology testing which allows the product to be sold in all markets. The Directors believe that emergency services will undertake their own performance testing ahead of placing orders, but from the Group's own testing and video demonstrations to potential customers, there are a number of interested parties.

The Directors believe that Zenova WB will be taken to market within the first six months from Admission.

Zenova HP – Heating Paint

Zenova HP will be a heating paint that transforms any wall, floor or ceiling into a radiant heating element.

The Directors believe that, as countries are striving for more energy efficient and eco-friendly solutions, Zenova HP is positioned to become a leader in the market.

Product Timeline

In 2021, the Group's strategy will initially focus on the launch of Zenova paint product lines and insulating render, followed closely by the introduction of fire extinguishers, fire suppressant fluids, forest fire fluids and sprinklers. Following these launches, the Group will focus on the launch of heat emitting paint in 2022. As more of Zenova's products reach the market, the Directors believe there will be significant opportunities for cross-selling amongst its existing customer bases.

The actual launch timetable of each of the products is subject to numerous factors. As a consequence, there can be no guarantee that products will come to market within the timeframe estimated.

9. FINANCIAL SUMMARY

The financial information set out in the table below has been extracted from the historical financial information of the Group included in Part 3 of this document. The financial information relates to Zenova Ltd.

Zenova Ltd was incorporated on 20 January 2020 as a vehicle to commercialise the intellectual property created by the founders. Since incorporation the Group has developed its product range and procured manufacturing and distribution agreements with its partners to position itself to begin generating revenue post Admission. The information below should be read in this context and in conjunction with the full historical financial information in Part 3 of this document and Section 10 of this, Part 1 titled Current Trading and Prospects. Investors should not rely solely on the summarised information set out below.

	<i>Period ended 30 November 2020</i>
	<hr/>
	£'000
Total revenue	—
Gross loss	(24)
Net loss for the period	(62)

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

10. CURRENT TRADING AND PROSPECTS

At the date of this Admission Document, the Group is pre-revenue having been focussed on product design, testing and certification and arrangements for manufacturing and distribution partners. It is the Group's intention that paints, renders, extinguishing fluid and 600ml extinguishers will be the first products taken to market and there is already significant interest from government, public bodies and potential private sector organisations.

Your attention is drawn to the Risk Factors set out in Part 2 of this document, and in particular the risk factor titled "Early-Stage of Operations".

The Group's year-end is the 30th of November. The Directors are not anticipating material revenues in the period from Admission to the current financial year end. During this period the Group anticipates that it will be placing orders with its manufacturing partners for delivery of product to end clients towards the end of the current financial year and in the new financial year. The significant majority of the revenues derived in the first full year following Admission will occur in the financial year ended 30 November 2022.

The Group has a framework agreement in place to supply various customers in the construction industry with fire protection paint and insulating render and paint in Australia. The Directors believe that first orders under this agreement will be placed with the Group, shortly following Admission.

In addition, the Group has received significant expressions of interest from a sub-distributor representing a UK social housing trust to supply fire paint and fire paint primer for doors in apartment blocks. In the first twelve months from Admission, the Directors expect this to cover an initial four London Boroughs, before expanding across London and the UK. From the Distributor's discussions with numerous social housing trusts and procurement agencies, the Directors believe that there are thousands of doors in social housing that do not meet current fire regulations. The Directors anticipate that each painted door could have a value of hundreds of pounds in revenue to the Group. The same sub-distributor also represents the NHS and has expressed interest for the supply of fire paint and primer to be applied to 13 hospital roof voids across the UK. At the date of this Admission Document, the Group is finalising a formal order commitment with the sub-distributor.

Substantial interest has also been received by the Group to supply fire paint, insulating render and the associated primer to a sub-distributor that will supply end-users in the aviation and marine engineering industries. The sub-distributor has indicated potential interest in Zenova's fire extinguishers once the relevant certification has been granted.

The Group is finalising terms of engagement with the Australian Government to apply insulating paint, render and primer to the internal walls of a number of government buildings. Since initial conversations, the potential contract has doubled in size and represents a significant revenue opportunity for Zenova.

The Directors consider the forest fire fighting market to be a significant opportunity for Zenova and will continue to target sales with fire services across North America, Europe and Asia.

The Group has agreed a trial with a large UK construction firm to install mini fire extinguishers in a sample of its vehicles. If the trial is successful, the Directors believe that the customer will consider ordering a significant number of extinguishers for use in its vehicles nationwide.

In total, the Group has £2 million in revenue agreed under contracts and has received strong interest representing revenue streams of an additional £3.9 million in the first twelve months from Admission. The Directors expect this to grow significantly in the short-term post Admission.

Proceeds from the Placing will be used in part to advance the testing and certification program for Zenova's extinguisher and other products in order to bring them to market and generate further revenue.

11. REASONS FOR THE PLACING AND USE OF PROCEEDS

The net proceeds of the Placing receivable by the Group are expected to be approximately £3.68 million and are intended to be used, in order of priority, as follows:

1. Support working capital	£1.0 million
2. Manufacture products and establish inventory levels	£0.8 million
3. Accelerate R&D programme	£0.6 million
4. Expand certification and independent testing programme	£0.6 million
5. Marketing and operational expenses, including sampling	£0.68 million

In addition, the Directors believe that Admission will assist the Group in its development by: (i) raising its profile in the sector; (ii) providing investment to fund future growth and (iii) confirming its commitment to the highest standards of corporate governance and compliance in a sector with an increasing focus on these principles.

12. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Donald Nicolson (*Non-Executive Chairman*)

Tony Crawley (*Chief Executive Officer*)

Thomas Melchior (*Finance Director*)

Dr. Etrur Albani (*Executive Vice Chairman*)

Alain Gottesman (*Non-Executive Director*)

Fiona Rodford (*Non-Executive Director*)

Board of Directors

Donald Nicolson (aged 61), *Non-Executive Chairman*

Donald is a senior business leader with more than 35 years' experience in a range of business sectors, both UK and internationally, including oil, gas and natural stone. During this time, he has held multiple board roles, executive and non-executive, in both publicly listed and private companies. Donald spent 26 years at BP where senior roles included Director of BP North Sea and Chief of Staff to (E&P) CEO. Donald is currently Non-Executive Director of AIM quoted Scirocco Energy plc, Senior Adviser to AIM quoted Fox Marble plc.

Tony Crawley (aged 55), *Chief Executive Officer*

Tony founded Zenova having gained significant experience in senior roles in growing companies within Construction and Fire Safety. He was Managing Director of Fripura Sales Ltd where he was responsible for setting up logistics, manufacturing and sales operations throughout Europe and Canada. Tony began his career as an electrical contractor which culminated in his appointment as Chairman of a national contracting company with over 150 employees and generating revenue in excess of £18 million.

Dr. Etrur Albani (aged 48), *Executive Vice Chairman*

Etrur is a serial entrepreneur who has held many leadership roles in both start-up and established businesses, he is experienced in turn-around management and strategic development. In 2003 he joined Post and Telecom of Kosova as Manager for Strategic Planning, he then moved to Director of Strategic Planning and Development before appointment as Managing Director where he has been responsible for significant restructuring and growth. Etrur holds a Ph.D. and has completed the Oxford Strategic Leadership Course at Said Business School.

Thomas Melchior (aged 54), *Finance Director*

Thomas has significant senior leadership experience having held several directorships with companies across the globe including CFO at CWC Maldives/Dhiraagu, COO at PTK Kosovo, CEO of Horizon Remote Services Pvt. Ltd and CFO of Swisscom International India/Essar Cellphone. Recently he has focused on start-up companies and acts as CFO and strategic consultant for Whitefield GmbH (Zurich) and DogData OU (Estonia). He holds an MBA from the University of Rochester and a Federal Diploma in Business Administration from Zurich Business School. Thomas is based in Switzerland but will spend as much time as is required by the board to fulfil his duties as Finance Director of the Group.

Alain Gottesman (aged 68), *Independent Non-Executive Director*

Alain is a senior strategic adviser with experience working with multinational companies ranging in size from start-ups to large public companies such as Denton's Advisory, Guidry Libya Port Susah Advisory and Gulf Islamic Investment Dubai Advisory. Alain also worked with the Saudi Arabian Office of the Crown Prince regarding a desalination project in 2018. He has been involved in numerous equity capital raisings and M&A transactions as a director, adviser, and investor around the world, living in the USA for more than 10 years and eight years in Australasia, Japan, Hong Kong and Singapore. Alain's experience includes Director of M&A at Strand Partners Investment Bank, CEO of Subsidiaries at Schlumberger Smart Cards & Terminals and Citizen Japan Vice President to Tokyo Office.

Fiona Rodford (aged 62), *Independent Non-Executive Director*

Fiona is a People and Transformation Director with extensive experience of business transformation in both public and private organisations across a wide range of sectors such as Retail, Banking and Manufacturing. She has successfully demonstrated significant business improvements and culture change in large complex businesses including Thomas Cook, Alliance & Leicester, BAA, TUI, Fenwick. Having held a number of Executive Directorships in large PLCs Fiona has set up her own business and works with CEOs and Executive teams, taking a key role to help deliver substantial transformation projects. Fiona is on the Trustee Board of Pilotlight.

Senior Management

Graeme Sargent, *Technical Director*

Graeme has over 30 years' experience in product development within the fire safety industry. He is an experienced manager in the residential construction space, having previously worked as Project Manager and Director of Operations at Riverside Senior Living, in B.C Canada. Graeme trained as a firefighter with Surrey Fire and Rescue and is a current firefighter in BC, Canada. Graeme is also a Partner/Director at Fripuraworks, a company that develops products for fryers in commercial kitchens.

Daiki Iida, *Technical & Product Development Senior Manager*

Daiki Iida is based in Tokyo and has substantial experience in the fire protection industry. During the last eight years he worked for two fire extinguisher manufacturers where he was responsible for the development of fire extinguishing equipment and retardant fluids alongside procurement of various international product certifications. Prior to this Daiki was involved in sales and then logistics for a Japanese transportation company.

Paul Williamson, *Sales Director*

Paul is currently a consultant and advisor to a number of new business ventures across the UK, Europe, USA and Middle East. His expertise includes strategy, AIM listings, pre-IPO fundraising and project management. Paul's career began as a stockbroker at W. Greenwell and Co, on the floor of the London Stock Exchange, this led him to be involved in the opening of L.I.F.F.E (London International Financial Futures Exchange) in 1982. He co-founded Cube Financial in 2008, a broking firm which was acquired by Societe Generale. From 2009-2016 he was involved with natural resources companies focused on Kosovo and Albania, where he secured project funding from UK institutions and the UK Government.

Recruitment

At Admission the Group will have 7 members of the management team (including Executive Directors) and 3 Non-Executive Directors. The Directors intend to recruit for various mid-level management positions post Admission to support the Group's key functions as it grows. Furthermore, the Group will appoint staff in support functions and administration as required.

13. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and confirm that, following Admission, they intend to comply with the QCA Code. The QCA Code has become a widely recognised benchmark for corporate governance of smaller quoted companies, particularly AIM companies.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board will at Admission comprise three executive directors and three non-executive directors. The Board considers two of the non-executives, being Alain Gottesman and Fiona Rodford to be independent and, as such, the Company complies with the requirements of the QCA Code in this regard.

With effect from Admission, the Board has established the Audit and Risk Committee, Remuneration Committee and Nomination Committee. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Following Admission, the Board will meet at least once a month to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals.

The Audit and Risk Committee

The Audit and Risk Committee will be chaired by Don Nicolson and its other members are Fiona Rodford and Alain Gottesman, the majority of whom are independent non-executive directors. The Audit and Risk committee is expected to meet formally at least two times a year and otherwise as required. It will have the responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed and its role includes monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

The Audit and Risk Committee shall have unrestricted access to the Company's auditors.

Remuneration committee

The Remuneration committee is chaired by Fiona Rodford and its other members are Don Nicolson and Alain Gottesman, the majority of whom are independent non-executive directors. The CEO and Finance Director will attend committee meetings as observers. The remuneration committee is expected to meet not less than once a year and at such other times as required. It will have responsibility for determining, within the agreed terms of reference, the Company's policy on the remuneration packages of the Company's chief executive, Chairman, and the executive directors, the company secretary, senior managers and such other members of the executive management as it is designated to consider. The remuneration committee will also have responsibility for determining (within the terms of the Company's policy and in consultation with the Chairman of the Board and/or the chief executive officer) the total individual remuneration package for each executive director, the company secretary and other designated senior executives (including bonuses, incentive payments and share options or other share awards). The remuneration of non-executive directors will be a matter for the Chairman and executive directors of the Board. No director or manager will be allowed to partake in any discussions as to their own remuneration. In addition, the remuneration committee will have the responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning. It will also have responsibility for recommending new appointments to the Board.

Nomination Committee

The Nomination Committee is to comprise of Don Nicolson and Fiona Rodford, with Alain Gottesman as chair of the committee. The Nomination Committee's main functions in relation to nominations will include, among other things, giving consideration to succession planning for Board members; identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; evaluating the balance of skills, knowledge and experience on the Board; regularly reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations to the Board with regard to changes; reviewing the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace; and making recommendations to the Board about the re-appointment of any Non-Executive Director at the conclusion of their specified term of office or retiring.

Share dealing code

The Company has adopted, with effect from Admission, a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules for Companies). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing code.

14. DETAILS OF THE PLACING

The Company is proposing to issue 23,684,203 New Ordinary Shares at a price of 19 pence per New Ordinary Share through the Placing by Brandon Hill.

Brandon Hill and SPARK entered into the Placing Agreement with the Company and the Directors. Under the Placing Agreement, Brandon Hill has conditionally agreed to use its reasonable endeavours to procure, as agent of the Company, subscribers for the New Ordinary Shares at the Placing Price. The majority of the Placing Shares are being placed with institutional investors and other investors.

The Placing is conditional, amongst other things, on Admission taking place on or before 22 July 2021 (or such later date as the Company, SPARK and Brandon Hill may agree but in any event not later than 14 August 2021) and on the Placing Agreement not being terminated prior to Admission.

The New Ordinary Shares will be issued credited as fully paid. On Admission, the New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission. The New Ordinary Shares to be issued by the Company pursuant to the Placing will represent approximately 25.36 per cent. of the Enlarged Share Capital. The Placing has not been underwritten.

On Admission the Company will have a market capitalisation of approximately £17.74 million at the Placing Price.

The proceeds of the Placing receivable by the Company (before expenses) will be approximately £4.5 million.

The issue and admission of the Convertible Loan Shares to trading on AIM is conditional upon Admission having become effective by not later than 8 a.m. on 22 July 2021. Further details of the Placing Agreement are set out in paragraph 21.2 of Part 4 of this document.

15. LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

The Company, following Admission, is subject to the requirements of Rule 7 of the AIM Rules ("AIM Rule 7"). All of the Directors and applicable employees who hold Ordinary Shares and related parties, including substantial shareholders have agreed:

- for a period of 12 months from Admission, that they will not dispose of any of the Ordinary Shares held by them (or enter into a transaction with the same economic effect);
- during the period commencing on the 12 month anniversary of Admission and ending on the 18 month anniversary of Admission, that they will not dispose of more than one third of the Ordinary Shares held by them (or enter into a transaction with the same economic effect); and
- during the period commencing on the 18 month anniversary of Admission and ending on the 24 month anniversary of Admission, that they will not dispose of more than two thirds of the Ordinary Shares held by them (or enter into a transaction with the same economic effect) (inclusive of any Ordinary Shares disposed of during the period of commencing on the 12 month anniversary of Admission and ending on the 18 month anniversary of Admission),

in each case subject to certain limited exceptions including in the event of an intervening court order, the death of a party who is subject to the lock-in, in respect of an acceptance of a takeover offer for the Company which is open to all shareholders or, during the period commencing on the 12 month anniversary of Admission and ending on the 24 month anniversary of Admission, with the prior written consent of Brandon Hill and SPARK.

In addition, the Locked-in Shareholders have agreed, for a period of 12 months commencing on the 12 month anniversary of Admission, subject to limited exceptions, not to trade any Ordinary Shares except through Brandon Hill.

The Lock-in Agreements have been entered into for the purposes of preserving an orderly market in the Ordinary Shares after Admission.

Details of these arrangements are set out in paragraph 21.8 of Part 4 of this document.

16 RELATIONSHIP AGREEMENT

The principal purpose of the Relationship Agreement is to ensure that the Company will at all times be capable of carrying on the business of the Group independently of Motus Distribution Limited and Rockmasters Limited and their respective associates. The Relationship Agreement takes effect from Admission. The Relationship Agreement will terminate if the Shares cease to be admitted to trading on AIM (not including any period of suspension of trading) or if Motus Distribution Limited and Rockmasters Limited, together with their respective associates, cease to retain an aggregate interest of 10 per cent. or more of the rights to vote at a general meeting of the Company attaching to the Shares.

17. DIVIDEND POLICY

The Company has not declared or paid cash dividends on the Existing Ordinary Shares prior to the date of this document.

The Directors' intention is to implement a progressive dividend policy in line with growth in future earnings, subject to the discretion of the Board and the Company having sufficient distributable reserves.

The payment of any future dividends on the Ordinary Shares will depend on the future earnings of the Company. The Board has no current intention of paying a cash dividend to Shareholders as the Board currently intends to invest the Company's cash reserves and any cash generated into driving business growth but will consider declaring a dividend only when prudent to do so and in the context of the cash generated by the business.

18. EMPLOYEE INCENTIVE SCHEMES

Following Admission, the Company intends to adopt a new share option scheme. Details of this new share option scheme have not yet been finalised, but any such scheme will comply with all applicable legal, regulatory and corporate governance requirements for a company whose shares are admitted to trading on AIM.

19. ADMISSION, SETTLEMENT AND CREST

Application has been made to the London Stock Exchange for all the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence at 8.00 a.m. on 22 July 2021.

The Articles permit the Company to issue Shares in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.

In the case of placees who have requested to receive New Ordinary Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 22 July 2021. In the case of placees who have requested to receive New Ordinary Shares in certificated form, it is expected that share certificates will be dispatched by post within 14 days of the date of Admission.

Pending dispatch of definitive share certificates, the Registrars will certify instruments of transfer against the register. No temporary documents of title will be issued.

The ISIN number of the Ordinary Shares is GB00BNVVH568. The TIDM is ZED. The LEI Number is 213800QXC9WBOBNBQS55.

20. TAXATION

Information regarding taxation in relation to the Placing and Admission is set out in paragraph 19 of Part 4 of this document. This information is intended only as a general guide to the current tax position in the UK. **Any investor who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than the UK, should consult his or her own independent professional adviser without delay.**

21. VCT AND EIS ELIGIBILITY

Information regarding certain taxation considerations for corporate, individual and trustee shareholders in the United Kingdom is set out in paragraph 19 of Part 4 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.**

VCTs

The Company has not currently applied for any assurance from HMRC that the Company should be a “qualifying company” for the purpose of investment by VCTs.

The qualifying status for VCT purposes will be contingent upon certain conditions being met by both the Company and the relevant VCT investor. Neither the Company nor the Company's advisers give any warranties, assurances or undertakings that VCT qualifying status will be available or that, if initially available, such status will not be subsequently withdrawn. Should the law change, then any qualifying status previously obtained may be lost.

Circumstances may arise (which may include the sale of the Company) where the Directors believe that the interests of the Company are not best served by acting in a way that preserves VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such status claimed by any Shareholder.

EIS

The Company has not currently applied for any assurance from HMRC that the Placing Shares will be eligible for EIS purposes.

The continuing status of the Placing Shares as qualifying for EIS purposes will be conditional on qualifying conditions being satisfied throughout the relevant period of ownership.

Neither the Company nor the Directors give any warranty, representation or undertaking that any investment in the Company by way of EIS shares will remain a qualifying investment for EIS purposes.

Your attention is drawn to the further taxation information set out in paragraph 19 of Part 4 of this document.

22. THE CITY CODE ON TAKEOVERS AND MERGERS

The Company is incorporated in the UK and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the Takeover Code applies to the Company.

Rule 9 of the Takeover Code (“**Rule 9**”) is designed to prevent the acquisition or consolidation of control of a company subject to the Takeover Code without a general offer being made to all shareholders. Under Rule 9, when any person or group of persons acting in concert acquires (whether by one transaction or a series of transactions) an interest in shares which carry 30 per cent. or more of the voting rights of the company, such person or persons acting in concert must normally make a general offer for the balance of the issued share capital of such company. Rule 9 also states that any person or group of persons acting in concert that is interested in shares which in 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 must normally make a general offer for the balance of the issued share capital should there be any increase in the percentage of the shares carrying voting rights in which they or any person acting in concert with them are interested.

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined

below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

An offer under Rule 9 must be made in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer or any person acting in concert with him or her, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Further information on the provisions of the Takeover Code can be found in paragraph 20 of Part 4 of this document.

23. RISK FACTORS

Your attention is drawn to the risk factors set out in Part 2 of this document and to the section entitled "Forward Looking Statements" on page 4 of this document. In addition to all other information set out in this document, potential investors should carefully consider the risks described in those sections before making a decision to invest in the Company.

24. NOTIFICATION OF MAJOR INTERESTS IN SHARES

Notification of major interests in Shares: Chapter 5 of the Disclosure Guidance and Transparency Rules makes provisions regarding notification of certain shareholdings and holdings of financial instruments. Where a person holds voting rights in the Company as a Shareholder through direct or indirect holdings of financial instruments, then that person has an obligation to make a notification to the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below 3 per cent. or any whole percentage point above 3 per cent. The requirement to notify also applies where a person is an indirect Shareholder and can acquire, dispose of or exercise voting rights in certain cases.

25. ADDITIONAL INFORMATION

Prospective investors should read the whole of this document, which provides additional information on the Company, the Placing and Admission and not rely on summaries or individual parts only. In particular, the attention of prospective investors is drawn to Part 2 of this document which contains a summary of the risk factors relating to an investment in the Company, to Part 3 of this document which contains historical financial information of the Group and an accountants' report thereon and to Part 4 of this document which contains further information on the Group.

The risk factors listed in Part 2 do not necessarily comprise all those associated with an investment in the Group.

PART 2

RISK FACTORS

AN INVESTMENT IN SHARES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE FACT THAT THE GROUP IS SUBJECT TO A VARIETY OF RISKS WHICH, IF ANY WERE TO OCCUR, COULD HAVE A MATERIALLY ADVERSE EFFECT ON THE GROUP'S BUSINESS AND/OR FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS. IN SUCH CASE, THE MARKET PRICE OF THE ORDINARY SHARES COULD DECLINE AND INVESTORS MIGHT LOSE SOME OR ALL OF THEIR INVESTMENT. A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY WHETHER AN INVESTMENT IN THE COMPANY IS SUITABLE IN THE LIGHT OF HIS OR HER PERSONAL CIRCUMSTANCES AND THE FINANCIAL RESOURCES AVAILABLE TO HIM OR HER.

In addition to the information set out in the rest of this document, the following risk factors in this Part 2 should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. Additionally, there may be risks not mentioned in this document of which the Board is not aware or believes to be immaterial, but which may, in the future, adversely affect the Group's business and the market price of the Ordinary Shares. In particular, the Group's performance may be affected by changes in the market or economic conditions and by legal, regulatory and tax requirements.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them. Potential investors are accordingly advised to consult a professional adviser authorised under FSMA, who specialises in advising on the acquisition of shares and other securities, before making any investment decision.

1. RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE GROUP

Early-stage of operations

The Group is early-stage and whilst it has framework agreements in place with a manufacturer, the distributor and suppliers and has received expressions of interest from end customers there is currently just one contractual order. The Directors are confident that negotiations between ZDL, its sub-distributors and end users will result in additional formal orders, however there can be no guarantee of this and potential investors should consider this when choosing whether or not to invest in the Group.

Moreover, an investment in the Group must also be considered in light of the risks, expenses and cash flow problems often encountered by early-stage companies. Typically, such companies can fail to achieve their business plan and their projections, through a failure to estimate the speed of completing a commercially saleable product, speed of market penetration, and the cash costs associated with penetrating international markets. Such companies also often fail to provide and maintain adequate investment in product development and marketing and fail to provide adequate managerial, operational and financial resources. There can be no assurance that the Group will be successful in executing its business plan or that shareholder value will be created.

An investment in the Group should be regarded as speculative and 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. Any investor in the Group must have no need for any liquidity with respect to this investment and must be able to withstand a total loss of his or her investment.

Appointment of sub-distributors

In addition to its appointed sub-distributors, the Group is in negotiations with sub-distributors in territories that it has identified as target markets. At this stage, there can be no guarantee that current discussions will result in the formal appointment of sub-distributors in the territories concerned. In this event there may be a delay to revenue recognition as the Group considers alternative sub-distribution partners.

Dependence on manufacturers

The Group does not intend to carry out any manufacturing activities. The Group has identified one manufacturer to produce its paints, render, primer and fire extinguishing fluid products. Accordingly, the Group will be heavily dependent on the manufacturer's production capacity, which the Directors believe to be sufficient in the first two years from Admission, however this is not guaranteed. In the event that capacity is not sufficient, there may be delays to the Group's revenue whilst capacity is expanded or an additional manufacturer is sought.

Moreover, the Group will be exposed to changes in the manufacturers pricing. This could have an adverse impact on the Group's profit margins or force it to increase its selling price, both of which could have an adverse effect on the overall financial performance of the Group.

Appointment of manufacturers

The Group has not yet appointed a manufacturer to produce its fire extinguisher and ceiling sprinkler products. It is in ongoing discussions with a potential manufacturing partner, however there can be no such guarantee that this will result in appointment. Should discussions fail to result in appointment of a manufacturing partner, there may be a delay to the Group's revenue whilst an alternative manufacturing partner is sought.

Protection of secret formulas

The Group's secret formulas of chemicals used in its products have not been patented in order to prevent public access, it is possible and not uncommon that this decision may lead to intellectual property challenges from competitor companies. The Group is aware of comments made by a third party regarding the ownership of its intellectual property rights. No formal dialogue has taken place with this third party and the Group has received written legal advice from its intellectual property lawyers that there has been no infringement of the intellectual property rights of this third party. The Directors are therefore confident regarding the veracity of the Group's Intellectual Property Rights.

The Directors, after due and careful enquiry, are not aware of any duplicates of the Group's products at present. It is not economically viable to conduct sufficient research and analysis in order to be aware of all potential duplicate companies and no formal Freedom to Operate search has been conducted on behalf of the Group.

The Directors accept that there can be no guarantee that third parties have not or will not manage to independently develop products with the same or similar formulas as the Group's products and there can be no guarantee that any such competing products would not have a material adverse effect on revenues and prospects of the Group.

Changes in applicable laws and regulations

Whilst the Group's products currently comply with the appropriate laws and regulations in its targeted jurisdictions, these laws and regulations are likely to undergo change at some stage in the Group's future. In the event of changes to laws and/or regulations, the Group's products may need to be retested or recertified and in an extreme case redeveloped. This will bear a cost burden on the Group and could lead to delays in revenue having a material adverse effect on the Group's financial performance.

Competition risks

The Directors consider that the fire safety industry is likely to become more competitive over the coming years. There is a risk that smaller companies may enter the market and gain market share by offering products at low prices. The results of increased competition from new and existing competitors, along with the potential of aggressive pricing, may have a material adverse effect on the Group's financial results.

Employment arrangements prior to Admission

Previously, neither the Company nor the Subsidiary had any contractual employees or consultants and all new appointments are subject to Admission. If individuals have been working for the Subsidiary and/or the Company, prior to the agreements being entered into, albeit without a written contract or as consultants, they may still be regarded as employees under English employment legislation and therefore have employment rights such as the rights to paid holiday, statutory sick pay, pension and the right not to be unfairly dismissed (once they have two years' service; which

may have started earlier than Admission). Individuals who have previously been working for the Subsidiary may argue that prior to entering into formal consultancy agreements/employment contracts they were in fact employees and therefore may have claims for unpaid holiday, sickness absence and pension contributions. In addition, such employees may argue that their length of service started on an earlier date which could, inter alia, affect any redundancy payments that may be made by the Group in the future.

The Group's success depends on retaining and attracting capable management

The Group's success and ability to effectively execute its business plan depend in large part on its ability to attract and retain senior management. The Group's business plan was developed by its senior management, who have acquired specialised knowledge and skills regarding the Group, the markets it serves and the business generally. The Group may not be able to find effective replacements in a timely manner or at all. The loss of any of these members of senior management, or any delay in replacing a departed member, may have a material adverse effect on the Group's business, financial condition or operating results.

Testing and certifications

The Group ensures that all products and services are independently tested and/or certified to prove the Group's product's performance. The tests and certifications are based on British and International testing standards. There is no guarantee that these tests will be accepted by end customers, which could materially and adversely impact the Group's revenue and timing of revenue.

Product recalls might be necessary

The Group may be faced with the necessity of recalling one or more products or batches of products. This may occur even if no product default is evidenced, but rather if a defect is suspected of being present. A recall of the Group's product may result in loss of revenue and damage to the Group's reputation. In the event that products are no longer able to be sold there would be a material adverse effect on the Group's financial performance and options for refinancing on the capital market could be negatively affected or even excluded.

Market risks

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

Product performance

The Group's products have been certified by independent testing providers, however the actual performance of the Group's products in real world situations may vary due to environmental factors and circumstances. This may impact the Group's ability to sell products and services and its reputation.

Improper use of product

The Group will provide detailed instructions and training videos on how to use and apply the Group's products. Some users may improperly use or apply the Group's products which may result in poor performance and damage the reputation of the Group.

Working capital requirements

The Group has industry standard payment terms of ninety days and has considered its working capital requirements in its financial projections. Accelerated growth will require increases in working capital. There can be no guarantee that appropriate working capital funding will be available to the Group.

The Group's insurance policies may be inadequate to cover the cost of claims made against the Group

While the Group maintains commercial insurance at a level it believes is appropriate against certain risks commonly insured in the industry, there is no guarantee that it will be able to obtain the

desired levels of cover on acceptable terms in the future. Furthermore, the nature of these risks is such that liabilities could exceed policy limits or that certain risks could be excluded from the Group's insurance coverage. There are also risks against which the Group cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Group's earnings and competitive position in the future and, potentially, its financial position. The Group's operations could suffer losses which may not be fully compensated by insurance. In addition, certain types of risks may be, or may become, either uninsurable or not economically insurable, or may not be currently or in the future covered by the Group's insurance policies. Any of the foregoing could have a material adverse effect on the Group's business, financial condition or operating results.

If the Group cannot maintain its corporate culture as it grows, it could lose the innovation, teamwork and focus that contribute crucially to its business

The Directors believe that a critical component of the Group's success has been its corporate culture, which they believe fosters innovation, encourages teamwork, cultivates creativity and promotes focus on execution. The Group has invested substantial time, energy and resources in building a highly collaborative team that works together effectively in an environment designed to promote openness, honesty, mutual respect and the pursuit of common goals. As the Group continues to develop the infrastructure of a public company and continues to grow, it may find it difficult to maintain these valuable aspects of its corporate culture. Any failure to preserve the Group's culture could negatively impact its future success, including its ability to attract and retain personnel, encourage innovation and teamwork and effectively focus on and pursue its corporate objectives.

Potential requirement for further investment

Any future expansion, activity and/or business development may require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds, if raised, would be sufficient. If additional funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. Debt funding may require assets of the Group to be secured in favour of the lender, which security may be exercised if the Group were to be unable to comply with the terms of the relevant debt facility agreement. The level and timing of future expenditure will depend on a number of factors, many of which are outside the Group's control. If the Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned expansion, activity and/or business development.

Reputation risk

The Group's reputation is central to its future success in terms of the services and products it provides, the way in which it conducts its business and the financial results which it achieves. Issues that may give rise to reputational risk include, but are not limited to, failure to deal appropriately with legal and regulatory requirements, money-laundering, fraud prevention, privacy, record-keeping, sales and trading practices and the credit, liquidity, and market risks inherent in the Group's business. If the Group fails, or appears to fail, to deal with various issues that may give rise to reputational risk or if it fails to retain customers for any other reason, this could materially harm its business prospects.

Also, failure to meet the expectations of its customers, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Group's reputation and future revenue.

Further, failure of any of the Group's products exposes the Group to significant reputational damage, should any of its clients experience fire related incidences. Such reputational damage could have a continued detrimental effect on the credibility of the Group and its services, which may lead to loss of accreditations, loss of customers and decreased ability to win business. Such an event may therefore have a material adverse effect on the Group's financial position, operations and cash flows.

The Group's operating results may fluctuate, which makes the Group's results difficult to predict and could cause the Group's results to fall short of expectations

The Group's revenue and operating results may vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside the Group's control. As a result, comparing the Group's operating results on a period to period basis may not be meaningful. In addition to other risk factors discussed in this "Risk Factors" section, factors that may contribute to the variability of the Group's quarterly and annual results include:

- the Group's revenue mix and any changes it makes other sources of revenue;
- the Group's marketing costs or selling expenses;
- the Group's ability to effectively manage its growth;
- the effects of increased competition in its business;
- the Group's ability to keep pace with changes in technology and its competitors;
- costs associated with defending any litigation or enforcing its intellectual property rights;
- the impact of economic conditions in any of the Group's targeted jurisdictions on its revenue and expenses; and
- changes in government regulation affecting its business.

Application of the proceeds from the Placing may not result in profits for the Group or an increase in the Ordinary Share price

There is no guarantee that the use of net proceeds described in paragraph 14 of Part 1 of this document will result in the Group making profits. The funds from the Placing will enable the Group to strengthen its market position, but the Group's profitability is reliant upon increased growth in revenues whilst maintaining relatively low capital expenditures and fixed overhead costs.

The Group may have exposure to greater than anticipated tax liabilities

Determining the Group's provision for corporation and other tax liabilities and the application and calculation of tax exemptions requires significant judgment and there are many transactions and calculations where the ultimate tax determination is uncertain. Although the Directors believe that the Group's estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in the Group's financial statements and may materially affect the Group's financial results in the period or periods for which such determination is made.

Taxation legislation

Any change in the Group's tax status or in taxation legislation in any jurisdiction in which the Group operates could affect the Group's financial condition and results and its ability (if any) to provide returns to Shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

Economic conditions and current economic weakness

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's products or services. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's revenue, restricting the Group's ability to realise a profit.

In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain, the Group might see lower levels of growth than in the past, which might have an adverse impact on the Group's operations and business results.

Covid-19

The covid-19 virus could have a continued significant impact on the ability of the Group to generate sales as customers may not be able to apply the Group's products due to Covid-19 restrictions.

Force majeure

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

2. RISKS RELATING TO THE COMPANY'S SECURITIES

General

An investment in the Ordinary Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets as part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers regarding investment in the Ordinary Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

Conditionality of the Placing

The Placing is conditional upon, among other things, Admission. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, then Admission will not occur.

No prior market for the Ordinary Shares

Before Admission, there has been no prior market for the Ordinary Shares. Although application has been made for the Ordinary Shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission.

VCT

The Company has not currently applied for any assurance from HMRC that the Company should be a "qualifying company" for the purpose of investment by VCTs.

The qualifying status for VCT purposes will be contingent upon certain conditions being met by both the Company and the relevant VCT investor. Neither the Company nor the Company's advisers give any warranties, assurances or undertakings that VCT qualifying status will be available or that, if initially available, such status will not be subsequently withdrawn. Should the law change, then any qualifying status previously obtained may be lost.

Circumstances may arise (which may include the sale of the Company) where the Directors believe that the interests of the Company are not best served by acting in a way that preserves VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such status claimed by any Shareholder.

If the Company does not employ the proceeds of a VCT's share subscription for qualifying purposes within 24 months, the funds invested by the VCT would be apportioned pro rata and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trading purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holdings.

The information in this document is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company.

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 Company's activities and which is a non-qualifying trade for VCT purposes, this could prejudice the qualifying status of the Company (as referred to above) at any time that a VCT is an investor in the Company. This situation will be monitored by the Directors with a view to preserving the Company's qualifying status but this cannot be guaranteed.

EIS

The Company has not currently applied for any assurance from HMRC that the Placing Shares will be eligible for EIS purposes.

Neither the Company nor the Directors give any warranty, representation or undertaking that any investment in the Company by way of EIS shares will remain a qualifying investment for EIS purposes. Investors must take their own advice and rely on it. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits.

Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares (or the perception that the same may occur, as, for example in the period leading up to the expiration of the restrictions contained in the Lock-In Agreements), legislative changes and market, economic, political or regulatory conditions. The share price for publicly traded companies can be highly volatile. Admission to AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for such Ordinary Shares.

Investment in AIM traded securities

The Ordinary Shares will be traded on AIM rather than admitted to the Official List of the UK Listing Authority. The AIM market is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than those admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Investors should, therefore, be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List and may not reflect the underlying value of the net assets of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

Dilution of Shareholders' interest as a result of additional equity fundraisings

Although the Company's business plan does not involve the issuance of Ordinary Shares other than in connection with the Placing, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest and the proportionate voting interest of Shareholders if, and to the extent that, such an issue of Ordinary Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares under a pre-emptive offer. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

Dividends

The Company's current policy is to retain future distributable profits and only recommend dividends when appropriate and practicable. There can be no assurance as to the level of future dividends (if any) that may be paid by the Company or, in light of the accrued losses of the Group, of the ability to pay dividends. Any determination to pay dividends in the future will be a decision for the Board (and will be subject to applicable laws and generally accepted accounting principles from time to time, and other factors the Board deems relevant).

PART 3
FINANCIAL INFORMATION

**SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF
ZENOVA LTD**

PKF Littlejohn LLP

The Directors
Zenova Group plc
9-13 St Andrew Street
London
EC4A 3AF

SPARK Advisory Partners Limited
5 St John's Lane
London
EC1M 4BH



Accountants &
business advisers

16 July 2021

Dear Sirs and Madam,

Zenova Group plc (the “Company”) and its subsidiary undertakings (together, the “Group”) Zenova Ltd

Introduction

We report on the historical financial information set out in Section B of Part 3 (the “Financial Information”) relating to Zenova Ltd. This information has been prepared for inclusion in the AIM admission document dated 16 July 2021 (the “Admission Document”) relating to the proposed admission to AIM of Zenova Group Plc.

This historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the historical financial information. This report is required by Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to 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 the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

It is our responsibility to form an opinion 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.

Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with 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 Company and consistently applied and adequately disclosed.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of Zenova Ltd to continue as a going concern for a period of at least twelve months from the date of the Admission Document. Accordingly, the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 16 July 2021, a true and fair view of the state of affairs of Zenova Ltd as at 30 November 2020 and of its results, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

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

Yours faithfully

PKF Littlejohn LLP

Reporting Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION OF ZENOVA LTD FOR THE PERIOD FROM 20 JANUARY 2020 TO 30 NOVEMBER 2020

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income for the period from 20 January 2020 to 30 November 2020 is set out below:

	Note	Period ended 30 November 2020 £'000 <i>Audited</i>
Continuing operations		
Revenue		—
Cost of sales		(24)
		<hr/>
Gross loss		(24)
Administrative expenses		(58)
		<hr/>
Operating loss		(82)
		<hr/> <hr/>
Other comprehensive income	6	5
		<hr/>
Loss before taxation		(77)
		<hr/> <hr/>
Taxation	7	15
		<hr/>
Loss after taxation		(62)
		<hr/> <hr/>
Earnings per share		(0.62)
		<hr/> <hr/>

STATEMENT OF FINANCIAL POSITION

The statement of financial position as at 30 November 2020 is set out below:

	Note	30 November 2020 £'000 <i>Audited</i>
ASSETS		
NON-CURRENT ASSETS		
Deferred tax	7	15
TOTAL NON-CURRENT ASSETS		15
CURRENT ASSETS		
Trade and other receivables	8	2
Cash and cash equivalents		201
TOTAL CURRENT ASSETS		203
TOTAL ASSETS		218
LIABILITIES		
NON-CURRENT LIABILITIES		
Payables: Amounts falling due after one year	9	50
TOTAL NON-CURRENT LIABILITIES		50
CURRENT LIABILITIES		
Payables: Amounts falling due within one year	9	230
		230
TOTAL LIABILITIES		280
NET ASSETS		(62)
EQUITY		
Share capital	10	—
Retained earnings		(62)
TOTAL EQUITY		(62)

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity from 20 January 2020 to 30 November 2020 is set out below:

	Share capital £'000 <i>Audited</i>	Retained earnings £'000 <i>Audited</i>	Total £'000 <i>Audited</i>
At 20 January 2020	—	—	—
Loss for period	—	(62)	(62)
New share capital subscribed	—		
	<hr/>	<hr/>	<hr/>
At 30 November 2020	—	(62)	(62)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF CASH FLOWS

The statement of cash flows from 20 January 2020 to 30 November 2020 is set out below:

	Period ended 30 November 2020 £'000 <i>Audited</i>
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	(62)
Adjustments to cash flows from non-cash items	
Income tax expense	(15)
Trade and other receivables	(2)
Trade and other payables	30
NET CASH FLOW FROM OPERATING ACTIVITIES	(49)
CASH FLOW FROM FINANCING ACTIVITIES	
Issue of share capital at par	
Bank loan	50
Convertible loan note	200
NET CASH FLOW FROM FINANCING ACTIVITIES	250
NET INCREASE IN CASH AND CASH EQUIVALENTS	201
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	201

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General Information

Zenova Ltd, formerly named Zenfire Limited, is incorporated and registered in England. The registered company number is 12412411. Its registered address and principal place of business is The Hermitage, 15a Shenfield Road, Brentwood, Essex, England CM15 8AG. Zenova Ltd. was incorporated on the 20th January 2020.

This financial information is presented in Pound Sterling (£), rounded to the nearest thousand (£'000) which is the currency of the primary economic environment in which Zenova Ltd operates.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies adopted in preparation of this financial information is set out below. These policies have been consistently applied to all periods, unless otherwise stated.

Statement of compliance

The preparation of financial information in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying Zenova Ltd's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial information is disclosed in more detail under the critical accounting judgement policies.

Basis of preparation

This financial information has been prepared in accordance with the requirements of International Financial Reporting standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (collectively IFRSs).

The financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

Going concern

After making enquiries, the Directors have formed a judgement, at the time of approving the financial information, that there is a reasonable expectation that Zenova Ltd has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial information.

In March 2020, the world Health Organization declared the outbreak of novel coronavirus disease ('COVID-19') as a pandemic, and we expect our operations to be affected as the virus continues to proliferate. The Directors have adjusted certain aspects of Zenova Ltd's operations to protect employees while still meeting customer needs for their services. The Directors will continue to monitor the situation closely and it is possible that we will implement further measures. The Directors have considered the impact of COVID-19 on Zenova Ltd and are of the view that it remains a going concern after revising forecasts for 2020 and 2021 and reviewing the impact of COVID-19 on the working capital of Zenova Ltd.

Critical accounting estimates and judgements

Zenova Ltd makes certain estimates and assumptions in the preparation of financial information. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable that best reflects the conditions and circumstances that exist and the reporting date.

The principal estimates are judgements that could have effect upon Zenova Ltd's financial results are the useful economic lives of property, plant and equipment, the impairment of trade receivables and the provision of income and deferred taxes. Further details of these estimates and judgements are set out in the related accounting policies for these items.

Revenue recognition

Zenova Ltd recognises revenue on the transfer of goods and services in accordance with the contractual terms entered into with clients.

Impact of initial application of IFRS 15 Revenue from Contracts with Customers

Zenova Ltd has applied IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes the principle that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. Applying IFRS 15, an entity recognises revenue to depict the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and/or services.

To recognise revenue under IFRS 15, management have taken the following five steps to:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to customer goods and/or services that are distinct.
- Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods and/or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods and/or services to a customer.
- Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract.
- Recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Having assessed the nature of contracts with customer, it has been established that the standard will have no impact to Zenova Ltd's results.

Revenue recognition

Zenova Ltd recognises revenue on the transfer of goods or services in accordance with the contractual terms entered into with clients.

Segment reporting

IFRS 8 requires that an entity disclose financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments. Operating segments are identified on the basis of internal reports that are regularly reviewed by the Board to allocate resources and to assess performance. Using Zenova Ltd's internal management reporting as a starting point the single reporting segment set out in note 3 has been identified.

Foreign currency transaction and balances

In preparing the financial information of Zenova Ltd, transactions in currencies other than Zenova Ltd's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are included in statement of total comprehensive income for the period in operation expenses.

Tax

The tax expenses for the period represents the sum of the tax currently payable and the deferred tax.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Zenova Ltd intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

The value of the intangible assets (patents) represents only the filing costs for the patents. The average life of a patent has been set at ten years and represents both the period over which the value of such patents can be realized and the amortisation period of the intangible asset.

At each reporting date, Zenova Ltd reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Such investments are those with original maturities of three months or less.

Trade receivables

Trade and other receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is based on the lifetime expected credit loss, based on past and forward-looking information.

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade and other payables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial instruments

Zenova Ltd has adopted IFRS 9 in respect of financial instruments.

Financial assets, including trade and other receivables and cash and bank balances are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for lifetime expected credit losses based on past and forward-looking information. If an asset is impaired the impairment loss is the difference between the carrying amount and the

present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognized in the Income Statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Period ended 30 November 2020 £'000 <i>Audited</i>
Wages and salaries	7
	7
	7

4. Directors' remuneration

The directors' remuneration for the period was as follows:

	Period ended 30 November 2020 £'000 <i>Audited</i>
T Crawley	7
	7
	7

5. Operating loss		
	Arrived at after charging:	
		Period ended 30 November 2020 £'000 <i>Audited</i>
	Auditors' remuneration -audit fees	12
		<u><u>12</u></u>
6. Other operating income		
	Zenova Ltd recognised extraordinary income for the period from an advance against a possible equity investment which failed to be completed. This deposit is being recognised as other operating income.	
7. Taxation		
	The tax charge is in relation to Zenova Ltd and is calculated on the basis of tax rates and laws applicable at the time at the rate of 19%.	
	Tax charged in the income statement:	
		Period ended 30 November 2020 £'000 <i>Audited</i>
	Deferred tax	15
		<u><u>15</u></u>
8. Trade and other receivables		
		Period ended 30 November 2020 £'000 <i>Audited</i>
	Other receivables	2
		<u>2</u>
		<u><u>2</u></u>
9. Trade and other payables		
		Period ended 30 November 2020 £'000 <i>Audited</i>
	Due within one year	
	Other payables	30
	Convertible loan notes	200
		<u>230</u>
		<u><u>230</u></u>
	Due after one year	
	Loans	50
		<u>50</u>
		<u><u>50</u></u>

10. Share capital

The authorised share capital of Zenova Ltd is £100 divided into 10,000 shares of £0.01 nominal value each.

	Period ended 30 November 2020 £'000 <i>Audited</i>
Allotted, called and fully paid shares	
Ordinary share capital of £0.01 each	—
	<hr/> <hr/>

11. Earnings per share

	Period ended 30 November 2020 £'000 <i>Audited</i>
Profit/(loss) for the financial period	(62)
Weighted average number of shares	10
Earnings/(loss) per share (£)	<hr/> <hr/> (6.2)

12. Ultimate controlling party

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

13. Related party transactions

Key management personnel are the same as the directors. Remuneration of the directors is disclosed in note 2 to the financial information.

14. Financial instruments

	Period ended 30 November 2020 £'000 <i>Audited</i>
Categorisation of financial instruments	
Financial assets that are debt instruments measured at amortised cost: cash and cash equivalents	201
	<hr/> <hr/> 201
Financial liabilities measured at amortised cost: loans and borrowings	250
	<hr/> <hr/> 250

15. Events after the statement of financial position date

The extension of the payback period for the U.K. government backed bounce back loan granted through HSBC has been extended and therefore this debt obligation is no longer classified as a short-term debt obligation.

The Company has raised additional £180,000 via unsecured Convertible Loan Notes.

PART 4

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names and functions appear on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (each of whom has taken 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 the import of such information.

2. THE COMPANY

- 2.1 The Company was incorporated in England and Wales on 17 May 2021 under the Companies Act as a private company limited by shares with the name “Zenova Group Limited” and with registered number 13403221.
- 2.2 On 15 June 2021, the Company re-registered as a public company with the name “Zenova Group plc”.
- 2.3 The Company was inserted as a new parent company of the Group with effect from 20 May 2021 by way of the Share Exchange, being a share exchange whereby the shareholders of Zenova Ltd exchanged their shares in Zenova Ltd for shares in the Company pursuant to the Share Exchange Agreement.
- 2.4 The liability of the members of the Company is limited to the amount paid up or to be paid up on their shares. The Company is domiciled within the United Kingdom and the principal legislation under which it operates is the Companies Act and the regulations made thereunder.
- 2.5 The registered office of the Company is at 9-13 St. Andrew Street, London EC4A 3AF. The principal place of business of the Company is 101 Kings Road, Brentwood, Essex CM14 4DR. The telephone number at the Company’s principal place of business is (0)1277 288314.
- 2.6 The Company’s web address at which information required by Rule 26 of the AIM Rules for Companies can be found is www.zenovagroup.com and its telephone number is (0)1277 288314.
- 2.7 The principal activity of the Company is that of a holding company.

3. ORGANISATIONAL STRUCTURE

- 3.1 The Company, which is the ultimate holding company of the Group, has the following subsidiaries:

Name	Activity	Country of incorporation	Proportion of shares held
Zenova Ltd	Development and wholesale of fire-retardant products	England	100%
Zenova Distribution Ltd*	Distributor of Zenova products on an exclusive basis	England	100%

* Zenova Distribution Ltd shall become a subsidiary of the Company on Admission.

- 3.2 Zenova Ltd was incorporated and registered in England and Wales on 20 January 2020 under the Companies Act as a private company limited by shares with the name Zenfire Ltd and with registration number 12412411. On 3 March 2020 Zenfire Ltd changed its name by shareholder resolution to Zenova Ltd.
- 3.3 On 20 May 2021 Zenova Ltd became a wholly owned subsidiary of the Company when the Sellers transferred all of their shares in Zenova Ltd to the Company.

- 3.4 Pursuant to the ZDL Share Exchange Agreement, on Admission ZDL shall become a wholly owned subsidiary of the Company. The sole shareholder of ZDL, Motus Distribution Limited shall exchange its shares in ZDL for shares in the Company. On Admission, in exchange for its Shares in ZDL, Motus Distribution Limited shall be issued with 12,350,000 Ordinary Shares.
- 3.5 ZDL was incorporated and registered in England and Wales on 16 September 2020 under the Companies Act as a private company limited by shares with the name Zenova Distribution Ltd Limited and with registration number 12884314. On 24 September 2020 ZDL changed its name by shareholder resolution to Zenova Distribution Ltd.

4. SHARE CAPITAL

- 4.1 The issued share capital of the Company on incorporation was £0.002 made up of 2 Ordinary Shares of £0.001 each, which were issued to Tony Crawley.
- 4.2 On 20 May 2021, by or pursuant to resolutions of the Company passed on that date by written resolution pursuant to which the Ordinary Shares detailed in paragraph 4.3 (below) were issued:
- (a) the directors of the Company were generally empowered to allot equity securities (as defined by section 560 of the Companies Act) pursuant to the authority conferred by the resolution below to such persons and on such terms as the directors of the Company think fit as if article 8.2(a) of the Company's articles of association did not apply to any such allotment; and
 - (b) subject to the passing of the resolution above, in accordance with section 551 of the Companies Act, the directors of the Company were generally and unconditionally authorised to allot:
 - (i) 49,999,998 ordinary shares of £0.001 each in the capital of the Company; and
 - (ii) to grant any right to subscribe for or to convert any security into, shares in the Company up to an aggregate nominal amount of £49,999.98. This authority shall expire on the date falling 5 years after the passing of this resolution unless previously revoked, varied or extended save that the directors may, notwithstanding such expiry, allot any shares, or grant any right to subscribe for, or to convert any security into, shares in pursuance of an offer or agreement to do so made by the Company before this authority expires.
- 4.3 On 20 May 2021, the Company issued in aggregate 49,999,998 Ordinary Shares to the shareholders in Zenova Ltd in connection with the Share Exchange.
- 4.4 On 28 May 2021, by or pursuant to resolutions of the Company passed on that date by written resolution pursuant to which the New Ordinary Shares will be issued:
- (a) the directors of the Company were generally empowered to allot equity securities (as defined by section 560 of the Companies Act) pursuant to the authority conferred by the resolution below to such persons and on such terms as the directors of the Company think fit as if article 8.2(a) of the Company's articles of association did not apply to any such allotment; and
 - (b) subject to the passing of the resolution above in accordance with section 551 of the Companies Act, the directors of the Company (or a duly constituted committee of the directors) be generally and unconditionally authorised to allot shares in the Company, or grant rights to subscribe for or to convert any security into shares in the Company ("Rights"), up to an aggregate nominal amount of £85,000 provided that this authority shall expire on the fifth anniversary of the date of passing of these Resolutions (unless renewed, varied or revoked by the Company on or before that date) save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted, or Rights to be granted, after such expiry and the directors of the Company (or a duly constituted committee of the directors) may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority revokes and replaces all

unexercised authorities previously granted to the directors of the Company but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

4.5 On 30 June 2021, the Company issued in aggregate 4,350,000 Ordinary Shares to Rockmasters Limited in consideration for services rendered by Christopher Gilbert to the Group prior to Admission.

4.6 The Company's issued share capital as at the date of this document is as follows:

Class	Number	Aggregate nominal value (£)
Ordinary Shares	54,350,000	54,350

4.7 The Enlarged Share Capital as it will be immediately following the Placing and Admission is as follows:

Class	Number	Aggregate nominal value (£)
Ordinary Shares	90,384,203	90,384

4.8 The Enlarged Share Capital as it will be immediately following the Placing, the issue of the Convertible Loan Note Shares and Admission is as follows:

Class	Number	Aggregate nominal value (£)
Ordinary Shares	93,384,053	93,384

4.9 The proposed issue of the New Ordinary Shares pursuant to the Placing and the Convertible Loan Note Agreements will be carried out by virtue of the authorities contained in paragraphs 4.4(a) and 4.4(b) above.

4.10 The Convertible Loan Note Shares are to be issued as follows:

Loan Note Holder	Total value of convertible loan notes	Total number of Ordinary Shares	Conversion Price per Ordinary Share
Four Grant Investments Ltd	£50,000	394,717	33.33% discount to the Placing Price
John Harvey	£200,000	1,578,869	33.33% discount to the Placing Price
Andrew Muir	£30,000	236,830	33.33% discount to the Placing Price
Nigel Lockett	£100,000	789,434	33.33% discount to the Placing Price

4.11 The Company has the following warrants in issue:

Warrantholder	Total value of warrants	Total number of warrants	Expiry date	Exercise price per warrant
Rockmasters Limited*	10 per cent. of the entire issued share capital of the Company on the first day of trading on AIM	9,338,405	18 September 2027	£0.001
Donald Nicolson	£100,000	526,315	Three years from when the Company maintains a market capitalisation of not less than £20,000,000 for a minimum of 12 months, during which Donald Nicolson serves as non-executive chairman of the Company	The price per Ordinary Share on Admission
Four Grant Investments Ltd	£25,000	131,578	30 April 2023	The price per Ordinary Share on Admission
John Harvey	£100,000	526,315	30 April 2023	The price per Ordinary Share on Admission
Andrew Muir	£15,000	78,947	30 April 2023	The price per Ordinary Share on Admission
Nigel Luckett	£50,000	263,157	30 April 2023	The price per Ordinary Share on Admission
SPARK Advisory Partners Limited	0.5 per cent. of the entire issued share capital of the Company on the first day of trading on AIM	466,920	24 months after the date of Admission	£0.001
Brandon Hill Capital Limited	5 per cent. of the aggregate number of Placing Shares placed by Brandon Hill in connection with the Placing	1,184,210	36 months after the date of Admission	The price per ordinary share on Admission

* Rockmasters Limited became the warrantholder on 29 June 2021, when ZDL assigned the warrants to them.

- (a) The warrant instruments for each of the Warrantholders (except for SPARK and Brandon Hill) were entered into between each Warrantholder respectively with Zenova Ltd – (except for those held by Rockmasters Limited, these warrants were originally issued to ZDL). Each of the respective warrant instruments were novated to the Company on 26 May 2021 as part of the process of the Company becoming the holding company of the Group. Pursuant to the novation of the warrants, on 28 May 2021 the Company obtained shareholder authority in relation to the number of warrants in issue as part of the authorities contained in paragraphs 4.4(a) and 4.4(b) above.
- (b) The authorities contained in paragraphs 4.4(a) and 4.4(b) above also cover the warrants issued by the Company to SPARK and Brandon Hill.
- 4.12 Amati Global Investors Limited – Amati Global Investors Limited have the right to subscribe for 6,578,947 Ordinary Shares at the Placing Price within 9 months’ of Admission.
- 4.13 Save as disclosed in paragraphs 4.10, 4.11 and 4.12 of this Part 4 or elsewhere in this document, the Company has not issued any partly paid shares, convertible securities, exchangeable securities or securities with warrants. The Company does not hold any treasury shares.
- 4.14 Save as disclosed in this document:
- (a) no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for consideration other than cash;
- (b) no commission, discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company;
- (c) no persons have preferential subscription rights in respect of any share or loan capital of the Company or any of its subsidiaries; and
- (d) no amount or benefit has been paid or is to be paid or given to any promoter of the Company.
- 4.15 There are no shares in the capital of the Company that do not represent capital and no shares in the capital of the Company are held by or on behalf of the Company.
- 4.16 No shares of the Company are currently in issue with a fixed date on which an entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 4.17 On Admission, the New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission.
- 4.18 The holders of Existing Ordinary Shares will be diluted by the issue of the New Ordinary Shares. The effect of the issue of the New Ordinary Shares (assuming that the New Ordinary Shares are issued to parties who are not holders of Existing Ordinary Shares) will be that holders of the Existing Ordinary Shares at the date of this document will own 58.2 per cent. of the Enlarged Share Capital following Admission.
- 4.19 The Company has authorised but unissued share capital. Part of this authorised but unissued share capital is to take account of the warrants which the Company has in issue (as detailed at paragraph 4.10 above). Except for the obligation to allot Ordinary Shares pursuant to the Placing or otherwise as disclosed in this document, there are no acquisition rights and/or obligations requiring share capital to be issued nor is there any undertaking to increase the share capital.
- 4.20 Save as disclosed in paragraphs 11 and 18.4 of this Part 4 or elsewhere in this document, no capital of any member of the Group is under option or agreed conditionally or unconditionally to be put under option.
- 4.21 There are no listed or unlisted securities issued by the Company not representing share capital.

5. SUBSIDIARY UNDERTAKINGS

The Company is the holding company of the Group.

The Company currently has the following significant subsidiaries:

Name	Registration number	Status	Place of incorporation	Percentage of voting share capital held
Zenova Ltd	12412411	Trading	England & Wales	100
Zenova Distribution Ltd*	12884314	Trading	England & Wales	100

* Pursuant to the ZDL Share Exchange Agreement Zenova Distribution Ltd shall become a subsidiary of the Company on Admission

6. PLACING SHARES AND CONVERTIBLE LOAN NOTE SHARES

- 6.1 The Placing Shares are being offered pursuant to the Placing at the Placing Price. The ISIN (International Security Identification Number) for the Ordinary Shares is GB00BNVVH568. The Existing Ordinary Shares are, and the New Ordinary Shares will be, subject to English law and, in particular, the Companies Act. The New Ordinary Shares will be issued credited as fully paid. The Placing Price for all Placing Shares is in pounds sterling.
- 6.2 The Convertible Loan Note Shares are being issued at a 33.33 per cent. discount to the Placing Price
- 6.3 Application has been made for all of the issued and to be issued Ordinary Shares to be eligible for admission to CREST with effect from Admission. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.
- 6.4 In the case of placees who have requested to receive Placing Shares in uncertificated form, it is expected that CREST accounts will be credited with effect from 22 July 2021. In the case of placees who have requested to receive Placing Shares in certificated form, it is expected that share certificates will be dispatched by post within 14 days of the date of Admission.
- 6.5 In the case of the Convertible Loan Note Holders it is intended for the Convertible Loan Note Shares to be issued in uncertificated form. It is expected that CREST accounts will be credited with effect from 22 July 2021. In the case of Convertible Loan Note Holders who request to receive their Convertible Loan Note Shares in certificated form, it is expected that share certificates will be dispatched by post within 14 days of the date of Admission.
- 6.6 Pending dispatch of definitive share certificates, the Registrars will certify instruments of transfer against the register. No temporary documents of title will be issued.
- 6.7 The holders of the Placing Shares will participate proportionately to their shareholdings in all distributions of capital or income by the Company or any surplus arising on liquidation of the Company. There are no fixed dates for dividend payments on the Ordinary Shares. Each Ordinary Share affords the holder of such share the right to one vote. There are no restrictions on the transferability of the Ordinary Shares.
- 6.8 The New Ordinary Shares and the Convertible Loan Note Shares will be issued on Admission, which is expected to occur on 22 July 2021.
- 6.9 Other than pursuant to the Placing, none of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Placing Shares to be admitted to AIM.

7. DIRECTORS' INTERESTS

7.1 The business address of all of the Directors is 9-13 St. Andrew Street, London EC4A 3AF.

7.2 As at the date of this document and immediately following the Placing, the issue of the Convertible Loan Note Shares and Admission, the interests (within the meaning of sections 820 to 855 of the Companies Act) of the Directors and (so far as is known to the Directors having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with the AIM Rules for Companies) in the issued share capital of the Company (all of which are beneficial unless otherwise stated) the existence of which is known or which could, with reasonable diligence, be ascertained by a Director are, and following Admission, will be as follows:

Name	As at the date of this document		Immediately following the Placing and Admission	
	Number of Existing Ordinary Shares	Percentage of Existing Share Capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital*
Tony Crawley	4,935,000	9.08	4,935,000	5.28
Donald Nicolson**	0	0	0	0
Etrur Albani***	4,700,000	8.65	4,700,000	5.03
Thomas Melchior	0	0	0	0
Alain Gottesman	0	0	0	0
Fiona Rodford	0	0	0	0

* The figures relating to the percentage of the Enlarged Share Capital are based on the assumption that all of the New Ordinary Shares are subscribed for under the Placing and the issue and allotment of the Convertible Loan Notes Shares and the issue and allotment of the Ordinary Shares pursuant to the ZDL Share Exchange Agreement.

** Donald Nicolson holds £100,000 warrants in the Company (please see further details at paragraph 4.10 (above)).

*** Etrur Albani's brother, Driton Rrustemaj is an underlying beneficial owner of shares in the Company as set out at paragraph 8.2 (below).

7.3 The Directors and (so far as is known to the Directors having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with the AIM Rules for Companies) do not have, and are not expected to have immediately following the Placing and Admission, any options to subscribe for Ordinary Shares.

7.4 Save as disclosed in this Part 4, immediately following Admission, no Director nor (so far as is known to the Directors having made appropriate enquiries) any persons connected with them (which expression shall be construed in accordance with the AIM Rules for Companies) is expected to have any interest, beneficial or non-beneficial, in the share capital of the Company or of any of its subsidiaries.

7.5 The Directors currently hold (in addition to their directorships of the Company) and have during the five years prior to the publication of this document held, the following directorships or partnerships:

Name	Current	Past five years
Don Nicolson	Zenova Ltd Scirocco Energy plc	Levantina Y Asociados De Minerales, S.A.U.
Tony Crawley	Zenova Ltd Vreptile International Expo Ltd Lewis Thermal Limited	Conqueror Holdings Limited Tag Global Distribution Limited Firescape Holdings Limited Fripura Sales Limited TJ Creative Limited Take Charge Limited Letsnooze Ltd

Name	Current	Past five years
Name Thomas Melchior	Current Zenova Ltd Whitefield GmbH Dogdata OU	Past five years —
Name Dr. Etrur Albani	Current Zenova Ltd Tin Shield Limited Halo Research Limited W3T Holdings Limited Folium International Limited Folium Group Holdings Limited Folium Holdings Limited Albani Industries Limited Future GEN Holdings Ltd. AGMH Limited Gulf Wall Holdings Limited	Past five years Future Gaming Limited KT Minerals Limited Boileau Marina Limited International Tailings Company Limited Your Move Labs Limited Kotrix Limited Future Home Kitchen and Furniture Décor Limited Fox Marble Limited 14 October plc Fox Marble Holdings plc
Name Alain Gottesman	Current Zenova Ltd 1Nation Technology Limited World Finance Technology Ltd WFT Construction Ltd Cannabaceaes 11 Limited	Past five years LPI Distributor Limited GoMor Ltd AvaScope Ventures Limited Semita Tracking Ltd Semita Home and Office Ltd
Name Fiona Rodford	Current Pilotlight Cheverells Property Investments Limited Cheverells Property Management Limited Cheverells Business Services Limited	Past five years Company Diagnostics Limited Kids Out UK

7.6 Save as disclosed in paragraph 7.7 below, none of the Directors has:

- (a) any unspent convictions relating to indictable offences;
- (b) had a bankruptcy order made against him or entered into any individual voluntary arrangements with his creditors;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he or she was a director of that company at the time of, or within the twelve months preceding, such events;
- (d) been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he or she was a partner of that firm at the time of, or within twelve months preceding, such events;

- (e) had any asset belonging to him made the subject of a receivership or been a partner of a partnership whose assets have been placed in receivership whilst he or she was a partner at the time of, or within twelve months preceding, such receivership; or
- (f) been publicly criticised by any statutory or regulatory authorities (including any recognised professional body) or ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 7.7 Save as disclosed in this document, none of the Directors has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Company and its subsidiaries during the current or immediately preceding financial year or which was effected by the Company or any of its subsidiaries during an earlier financial year and remains in any respect outstanding or unperformed.
- 7.8 Save as disclosed in this document, none of the Directors nor members of their family has a financial product whose value in whole or part is determined directly or indirectly by reference to the price of the Ordinary Shares.
- 7.9 There are no outstanding loans granted by the Company to any Director nor has any guarantee been provided by the Company for the benefit of any Director.
- 7.10 Save as disclosed in this document, there are no actual or potential conflicts of interest between the duties of the Directors to the Company and their respective private interests or other duties.
- 7.11 Save as disclosed, no Director has or has had any interest, whether direct or indirect, in any assets which have been acquired by, disposed of by, or leased to, any member of the Group or which are proposed to be acquired by, disposed of by, or leased to, any member of the Group.

8. MAJOR INTERESTS

- 8.1 In addition to the interests of the Directors disclosed in paragraph 7 above, insofar as is known to the Company and the Directors, the following persons as at the date of this document and immediately following the Placing and Admission will be interested, directly or indirectly, jointly or severally, in 3 per cent. or more of the voting rights in respect of the Company's issued share capital:

Name	As at the date of this document		Immediately following the Placing and Admission	
	Number of Existing Shares	Percentage of Existing Share Capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital*
Linden Holdings (Malta) Limited	11,750,000	21.62	11,750,000	12.58
1291207 B.C. Ltd	5,405,000	9.94	5,405,000	5.79
1291211 B.C. Ltd	5,405,000	9.94	5,405,000	5.79
Paul Williamson**	4,700,000	8.65	4,700,000	5.03
Matthew Perry	4,230,000	7.78	4,230,000	4.53
Lumen Holdings Limited	3,000,000	5.52	3,000,000	3.21
Scott Wilkinson	2,115,000	3.89	2,115,000	2.26
Tofta Limited	1,880,000	3.46	1,880,000	2.01
Mircea Cracium	1,880,000	3.46	1,880,000	2.01
Rockmasters Limited	4,350,000	8.00	4,350,000	4.66
Motus Distribution Limited	–	0	12,350,000	13.22
Amati Global Investors Limited***:	0	0	3,947,368	4.23
Shard Capital Limited	0	0	11,157,894	11.95

* The figures relating to the percentage of the Enlarged Share Capital are based on the assumption that all of the New Ordinary Shares are subscribed for under the Placing and the issue and allotment of the Convertible Loan Notes Shares and the issue and allotment of the Ordinary Shares pursuant to the ZDL Share Exchange Agreement.

** Paul Williamson entered into an employment agreement with Zenova Ltd on 27 May 2021 (details of which are set out in paragraph 21.11 (below)).

*** Amati Global Investors Limited has the right to subscribe for 6,578,947 shares in the Company.

- 8.2 In relation to corporate shareholders of the Company as at the date of this document, the underlying owners are as follows:

Name	Country of incorporation	Underlying owners	Other interested persons
Linden Holdings (Malta) Limited	Malta	Melita Company Ltd & Wendy Penelope Cushman	Ausrine Skarnulyte (50% beneficial ownership) Driton Rrustemaj (50% beneficial ownership)
Tofta Limited	Cyprus	Christopher Snook-Lumb	Altin Kadiu (beneficial owner)
1291207 B.C. Ltd	Canada	Cynthia Smith	N/A
1291211 B.C. Ltd	Canada	Graeme Sargent	N/A
Lumen Holdings Limited	UK	Denis Noel Ingoldsby	N/A
Rockmasters Limited	UK	Christopher Gilbert	N/A

- (a) Ausrine Skarnulyte and her service company, MB Capitalis Limited entered into a consultancy agreement with Zenova Ltd on 27 May 2021, details of which are set out in paragraph 10.1(below).
- (b) Graeme Sargent entered into an assignment of intellectual property rights with Zenova Ltd on 1 October 2020, details of which are set out in paragraph 13.2 (below). Further Graeme and his service company, 1291211 B.C. Ltd entered into a consultancy agreement with Zenova Ltd dated 26 May 2021, details of which are set out in paragraph 10.3 (below).
- (c) Cynthia Smith, who is the underlying shareholder of 1291207 B.C. Ltd is the wife of Shawn Pringle. Zenova Ltd entered into an assignment of intellectual property rights with Shawn Pringle dated 1 October 2020, details of which are set out in paragraph 13.3 (below). Further Shawn and his service company, 1291207 B.C. Ltd entered into a consultancy agreement with Zenova Ltd dated 26 May 2021, details of which are set out in paragraph 10.2 (below).
- (d) Driton Rrustemaj is Etrur Albani's brother.
- (e) Christopher Gilbert, the underlying shareholder of Rockmaster Limited, is also the underlying shareholder of Motus Distribution Limited.
- 8.3 The shares held by the Shareholders set out at paragraph 8.1 above rank *pari passu* with the Existing Ordinary Shares and, in particular, have no different voting rights than other existing Shareholders.
- 8.4 Other than as disclosed in this document, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise, control over the Company. In addition, as far as the Company is aware, there are no arrangements in place, the operation of which may at a subsequent date result in a change of control of the Company.

9. DIRECTORS' TERMS OF APPOINTMENT

- 9.1 Set out below are summary details of the Company's terms of appointment with the executive Directors:
- (a) Tony Crawley (*Chief Executive Officer*) has served on the board of directors of Zenova Ltd since 20 January 2020 and on the Board since incorporation of the Company. Tony entered into an employment agreement with the Company on 27 May 2021'. Tony's duties as a chief executive officer commenced on the date of the agreement, however his continuous employment is not regarded as taking effect until the later of (i) Admission; and (ii) 30 June 2021. If he is carrying out duties prior to the commencement date stated in the contract, it is likely that his continuous service (for the purposes of employment legislation) would be deemed to have started earlier. Tony's appointment is for an initial

period of three years and is terminable at any time on three months' notice by either party (with a restrictive covenant period of one year). The agreement states that Tony shall also act as a director of Zenova Ltd. Tony will receive an annual salary of £125,000 (subject to annual review by the Board) plus a discretionary bonus. Tony has a company car allowance of £8,400 per annum. Tony's appointment may be terminated summarily by the Company if he is, among other things, guilty of gross misconduct. The service agreement provides severance pay of 12 months' salary if the employment is terminated "without cause".

- (b) Thomas Melchior (*Finance Director*) has served on the board of directors of Zenova Ltd since 13 November 2020 and on the Board since incorporation of the Company. Thomas and his service company Whitefield GmbH entered into a contract for services with the Company on 27 May 2021. Thomas' appointment is stated to be subject to the Company's admission to AIM, however, he is currently a statutory director of the Company and has been attending board meetings of the Company. Thomas' appointment is for an initial period of three years and is terminable at any time on three months' notice by either party (with a restrictive covenant period of one year). The agreement states that Thomas shall also act as a director of Zenova Ltd. Thomas will receive an annual salary of £80,000 (subject to annual review by the Board) plus a discretionary bonus. Thomas' appointment may be terminated summarily by the Company if he is, among other things, guilty of gross misconduct. The service agreement provides severance pay of 12 months' salary if the employment is terminated "without cause".
- (c) Dr. Etrur Albani (*Executive Vice Chairman*) has served on the board of directors of Zenova Ltd since 13 November 2020 on the Board since incorporation of the Company and on the board of directors of ZDL from Admission. Dr. Etrur entered into an employment agreement with the Company on 27 May 2021. Dr. Etrur's appointment is stated to be subject to the Company's admission to AIM, however, he is currently a statutory director of the Company and has been attending board meetings of the Company. Dr. Etrur's appointment is for an initial period of three years and is terminable at any time on three months' notice by either party (with a restrictive covenant period of one year). The agreement does not mention Dr. Etrur serving as a director of Zenova Ltd. Dr. Etrur will receive an annual salary of £50,000 (subject to annual review by the Board) plus a discretionary bonus. Dr. Etrur's appointment may be terminated summarily by the Company if he is, among other things, guilty of gross misconduct. The agreement provides severance pay of 12 months' fees if the employment is terminated "without cause".

9.2 Set out below are summary details of the Company's terms of appointment with the non-executive Directors:

- (a) Don Nicolson (*Non-Executive Chairman*) has served on the board of directors of Zenova Ltd since 13 November 2020, on the Board since incorporation of the Company and on the board of directors of ZDL from Admission. Don entered into a non-executive director services agreement with the Company on 27 May 2021. Don's appointment is stated to be subject to the Company's admission to AIM, however, he is currently a statutory director of the Company and has been attending board meetings of the Company. Don's appointment is for an initial period of three years. The annual fee payable to him is £55,000 (which shall accrue from the later of Admission or 30 June 2021). The notice period for either party is three months. Don's appointment includes rights to warrants, details of which are set out above at paragraph 4.11.
- (b) Alain Gottesman (*Non-Executive Director*) has served on the board of directors of Zenova Ltd since 19 February 2021 and on the Board since incorporation of the Company. Alain entered into a non-executive director services agreement with the Company on 27 May 2021. Alain's appointment is stated to be subject to the Company's admission to AIM, however, he is currently a statutory director of the Company and has been attending board meetings of the Company. Alain's appointment is for an initial period of three years. The annual fee payable to him is £35,000 (which shall accrue from the later Admission or 30 June 2021). The notice period for either party is three months.

(c) Fiona Rodford (*Non-Executive Director*) has served on the Board since incorporation of the Company. Fiona entered into a non-executive director services agreement with the Company on 27 May 2021. Fiona's appointment is stated to be subject to the Company's admission to AIM, however, she is currently a statutory director of the Company and has been attending board meetings of the Company. Fiona's appointment is for an initial period of three years. The annual fee payable to her is £35,000 (which shall accrue from the later of Admission or 30 June 2021). The notice period for either party is three months.

9.3 Save as disclosed in paragraphs 9.1 and 9.2, none of the Directors has a service agreement or letter of appointment with the Company that has been entered into, or varied within six months prior to the date of this document or which is a contract which expires or which is determined by the Company without payment of compensation (other than statutory compensation) after more than one year.

9.4 No amount has been set aside or accrued by the Group to provide pension, retirement or other benefits to the Directors. Save for any payments to the Directors on termination in lieu of notice, and as disclosed at paragraphs 9.1 and 9.2 (above) no benefits on termination are payable by the Company.

10. CONSULANTS' TERMS OF APPOINTMENT

10.1 *Consultancy arrangement with MB Capitalis Limited and Ausrine Skarnulyte and Zenova Ltd entered into on 27 May 2021*

Ausrine and her service company, MB Capitalis Limited entered into a consultancy agreement with Zenova Ltd on 27 May 2021. The term of the agreement is for one year from 30 June 2021 or from the date of Admission, whichever is the later (which can be extended or renewed by mutual agreement in writing). The consultancy fee payable to Ausrine via the service company is £50,000 gross per annum, accruing from 30 June 2021 or from the date of Admission, whichever is the later. Ausrine and the services company are prohibited from poaching or interfering with Zenova Ltd's relationship with employees and contractors for one year following the end of her appointment. Further there is a clause prohibiting Ausrine and the service company from diverting business from any person who at any time within two years prior to the relevant date has been a customer of Zenova Ltd, away from Zenova Ltd, during the term of her appointment and for a period of one year after the end of her appointment. The agreement may be terminated by Zenova Ltd on giving 30 days written notice to the services company to expire at any time but shall in any event determine on completion of the services by the service company to the reasonable satisfaction of Zenova Ltd.

10.2 *Consultancy arrangement with 1291207 B.C. Ltd and Shawn Pringle and Zenova Ltd dated 26 May 2021*

Shawn and his service company, 1291207 B.C. Ltd entered into a consultancy agreement with Zenova Ltd dated 26 May 2021. The initial term of the agreement is three years and then indefinitely until terminated in accordance with the terms of the agreement. There is a contractual right for the consultant to receive a settlement payment of 12 months' fees in the event of termination "without cause", subject to him signing a settlement agreement. The consultancy fee payable to Shawn via the service company is £80,000 gross per annum, accruing from the 30 June 2021 or from the date of Admission, whichever is the later. Shawn is based in Canada, he will need to be taxed in accordance with relevant Canadian tax legislation. His working hours are Monday to Friday 9am – 5pm GMT (he will be working in Canada).

A non-compete clause prevents Shawn and his service company from being involved in a competing business for one year after the end of his appointment. Shawn and his service company are prohibited from poaching or interfering with Zenova Ltd's relationship with employees and contractors for one year following the end of his appointment. In addition, he must not discuss employment opportunities or provide information about competitive employment to any of the Company's employees or consultants for one year following the end of his appointment. The restriction is limited to those that were employed or engaged by

the Company during the consultant's appointment. Further there is a clause prohibiting Shawn from diverting business away from Zenova Ltd, during the term of his appointment and for a period of one year after the end of his appointment.

10.3 *Consultancy arrangement with 1291211 B.C. Ltd and Graeme Sargent and Zenova Ltd dated 26 May 2021*

Graeme and his service company, *1291211 B.C. Ltd* entered into a consultancy agreement with Zenova Ltd dated 26 May 2021. The initial term of the agreement is three years and then indefinitely until terminated in accordance with the terms of the agreement. There is a contractual right for the consultant to receive a settlement payment of 12 months' fees in the event of termination "without cause", subject to him signing a settlement agreement. The consultancy fee payable to Graeme via the service company is £80,000 gross per annum, accruing from the 30 June 2021 or from the date of Admission, whichever is the later. Graeme is based in Canada, he will need to be taxed in accordance with relevant Canadian tax legislation. His working hours are Monday to Friday 9am – 5pm GMT (he will be working in Canada).

A non-compete clause prevents Graeme and his service company from being involved in a competing business for one year after the end of his appointment. Graeme and his service company are prohibited from poaching or interfering with Zenova Ltd's relationship with employees and contractors for one year following the end of his appointment. In addition, he must not discuss employment opportunities or provide information about competitive employment to any of the Company's employees or consultants for one year following the end of his appointment. The restriction is limited to those that were employed or engaged by the Company during the consultant's appointment. Further there is a clause prohibiting Graeme from diverting business away from Zenova Ltd, during the term of his appointment and for a period of one year after the end of his appointment.

10.4 *Consultancy arrangement with Daiki lida and Zenova Ltd dated 26 May 2021*

Daiki lida entered into a consultancy agreement with Zenova Ltd dated 26 May 2021 for the position of Technical and Product Development Senior Manager. Daiki lida is based in Japan, so Japanese tax and labour laws will apply. The term of his contract is for three years and then indefinitely until terminated in accordance with the terms of his agreement. His working hours are not stated in his contract (he will be working in Japan). The consultancy fee payable to Daiki lida is £30,000 gross per annum, accruing from 30 June 2021 or from the date of Admission, whichever is the later. As the consultant is based in Japan, he will need to be taxed in accordance with relevant Japanese tax legislation. Payment made to Daiki lida under his consultancy agreement is in addition to the payment due to him under his assignment of intellectual property rights agreement (further details at paragraph 13.5 (below)).

11. SIGNIFICANT INVESTMENTS

Save as disclosed in this document, there have been no significant investments by the Company or any of its subsidiaries since 30 November 2020, being the date to which the last audited consolidated accounts of the Group have been made up.

12. ARTICLES OF ASSOCIATION

12.1 *Adoption and material provisions*

The Articles, which were adopted by a special resolution of the Company on 28 May 2021, contain certain provisions, the material provisions of which are set out below. This is a description of significant rights and does not purport to be complete or exhaustive.

12.2 *Objects*

12.3 Section 31 of the Companies Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles.

The Articles do not contain any restrictions on the objects of the Company

12.4 *Votes of members*

Subject to the provisions of the Companies Act and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles:

- (a) on a show of hands every member who is present in person shall have one vote;
- (b) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution shall have one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he or she shall have one vote for and one vote against the resolution;
- (c) every corporate representative present who has been duly authorised by a corporation shall have the same voting rights as the corporation would be entitled to; and
- (d) on a poll, every member who is present in person or by duly appointed proxy or corporate representative shall have one vote for every share of which he or she is the holder or in respect of which his appointment of proxy or corporate representative has been made.

12.5 *Restriction on rights of members where calls outstanding*

Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either personally or by proxy, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in respect of a share held by him in relation to meetings of the Company unless and until he or she shall have paid all calls or other sums presently due and payable by him, whether alone or jointly with any other person, to the Company.

12.6 *Transfer of shares*

Subject to the provisions in the Articles regarding uncertificated shares, all transfers of certificated shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. In relation to both certificated and uncertificated shares, the transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members of the Company in respect of such shares. All instruments of transfer which are registered may be retained by the Company.

12.7 *Dividends*

Subject to the provisions of the Companies Act and of the Articles the Company may, by ordinary resolution, declare that out of profits available for distribution dividends be paid to members of the Company according to their respective rights and interests in the profits of the Company. However, no such dividend shall exceed the amount recommended by the Board. Interim dividends may be paid provided that they appear to the Board to be justified by the profits available for distribution.

Except as otherwise provided by the Articles or by the rights attached to shares, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

The Company may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of specific assets, and in particular, of fully paid shares or debentures of any other company.

The Board may, with the prior authority of an ordinary resolution of the Company and provided the Company has sufficient undistributed profits or reserves to give effect to it, offer the holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid in whole or in part instead of cash in respect of the whole or some part of any dividend specified in the resolution.

All dividends, interest or other sum payable and unclaimed for 12 months may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed after a period of 12 years shall be forfeited and revert to the Company.

12.8 *Capitalisation of profits and reserves*

- (a) The Board may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve, or other undistributable reserve) or any sum standing to the credit of the Company's profit and loss account.
- (b) Such capitalisation shall be effected by appropriating such sum to the holders of Ordinary Shares on the register of members of the Company at the close of business on the date of the resolution (or such other date as may be specified in such resolution or determined as provided in such resolution) in proportion to their holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in proportion to their holdings.
- (c) The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Board to make such provision as it thinks fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit of such fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental to such capitalisation and any agreement made under such authority shall be effective and binding on all concerned.

12.9 *Share capital*

(a) *Liability of members*

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

(b) *Variation of rights*

Whenever the share capital of the Company is divided into different classes of shares, the special rights for the time being attached to any share or class of share in the Company may, subject to the provisions of the Companies Act and all other statutes, order, prospectus rules, listing rules, transparency rules, regulations, and other subordinate legislation, be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting, all the provisions of the Articles relating to general meetings of the Company and to the proceedings at such general meetings shall with necessary modifications apply, except that:

- (i) the necessary quorum shall be two persons holding or representing by proxy at least one fifth in nominal value paid up of the issued shares of the class (but so that if at any adjourned meeting a quorum as defined above is not present, any one holder of any shares of the class present in person or by proxy shall be a quorum); and

- (ii) any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.

The article only applies to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.

(c) Special rights

The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue of that class of shares, be deemed to be varied:

- (i) by the allotment or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects equally with such shares but in no respect in priority to such shares;
- (ii) by the purchase by the Company of any of its own shares (and the holding of any such shares as treasury shares); or
- (iii) the Board resolving that a class of shares shall become, or the operator of the relevant system permitting such class of shares to be, a participating security (the phrases “operator”, “relevant system” and “participating security” having the meanings set out in the CREST Regulations).

(d) Sub-division of shares

Whenever the Company sub-divides its shares, or any of them, into shares of smaller nominal value, the Company may, by ordinary resolution, determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared to the others.

(e) Purchase of own shares

Where there are in issue convertible securities convertible into or carrying a right to subscribe for equity shares of a class proposed to be purchased, a separate meeting of the holders of the convertible securities must be held and their approval by special resolution obtained before the Company enters into any contract to purchase equity shares of the relevant class. Subject to this and notwithstanding anything to the contrary contained in the Articles, the rights and privileges attached to any class of shares shall be deemed not to be altered or abrogated by anything done by the Company in pursuance of any resolution passed under the powers conferred by the Companies Act and all other statutes, orders, prospectus rules, listing rules, transparency rules, regulations and other subordinate legislation.

(f) Alteration of capital

The Articles do not impose any conditions governing changes in the capital of the Company which are more stringent than required by law.

(g) Redemption and conversion

Any share may be issued which is or is to be liable to be redeemed at the option of the Company or the holder, and the Board may determine the terms, conditions and manner of redemption of any such share.

(h) Pre-emption

The Articles do not prescribe any rights of pre-emption in relation to offers for subscription of Ordinary Shares beyond those contained in the Companies Act.

12.10 *Directors*

(a) Number of Directors

Subject as provided in the Articles, the directors of the Company shall not be fewer than two nor more than ten in number. The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of directors.

(b) Directors' fees

Unless otherwise decided by the Company by ordinary resolution, the ordinary remuneration of the directors shall from time to time be determined by the Board, except that such remuneration shall not exceed £750,000 per annum in aggregate or such higher sum as may from time to time be determined by ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the directors as the Board decides or, failing agreement, equally, except that any director who shall hold office for part only of the period to which such remuneration relates shall be entitled only to a *pro rata* amount of such remuneration. Any director who holds any executive office may be paid such extra remuneration or may receive such other benefits as the Board may determine.

(c) Directors' expenses

The Board may repay to any director all such reasonable expenses as he or she may properly incur in attending and returning from meetings of the Board or of any committee of the Board or shareholders' meetings or otherwise in connection with the performance of his duties as a director of the Company.

(d) Directors' pensions and other benefits

The Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

(e) Directors' permitted interests

Provided (if the Articles so require) that he or she has declared to the directors, in accordance with the provisions of the Articles, the nature and extent of any interest, a director may (save as to the extent not permitted by law), notwithstanding his office, have an interest of the following kind; namely:

- (i) where a director (or a person connected with him) is party to, or directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is interested;
- (ii) where a director (or a person connected with him) is a director, employee or other officer of, or a party to any arrangement or transaction with, or interested in, any body corporate promoted by the Company or in which the Company is interested;
- (iii) where a director (or a person connected with him) is directly or indirectly interested in shares or share options of the Company or is directly or indirectly interested in shares or share options of, or an employee, director or other officer of a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company (as such terms are defined in the Companies Act);
- (iv) where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the Company or body corporate in which the Company is interested;
- (v) where a director is given, or is to be given, a guarantee in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is interested;
- (vi) where a director (or a person connected with him or of which he or she is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is interested of which he or she is a director, employee or other officer acts) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is interested (other than as auditor) whether or not he, she or it is remunerated for this;
- (vii) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(viii) any other interest authorised by ordinary resolution.

No authorisation pursuant to the Articles shall be necessary in respect of the above interests. In any situation or matter permitted by or authorised under the Articles (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the Company for any benefit which he or she derives from that situation or matter and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

(f) Authorisation of directors' interests

(i) The directors shall have the power, subject to the Articles, to authorise any matter which would or might otherwise constitute, or give rise to, a breach of the duty of a director to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Any authorisation will only be effective if:

(A) the matter in question is proposed in writing for consideration at a meeting of the directors, in accordance with the Board's normal procedures or in such other manner as the directors may determine;

(B) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together, the "**Interested Directors**"); and

(C) the matter is agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

(ii) Subject to the Companies Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of the Articles.

(iii) Subject to the Article (as summarised in paragraph 12.10(f)(iv) below), if a director, otherwise than by virtue of his position as director, receives information in respect of which he or she owes a duty of confidentiality to a person other than the Company, he or she shall not be required:

(A) to disclose such information to the Company or to the directors, or any other officer or employee of the Company; or

(B) otherwise to use such information for the purpose of or in connection with the performance of his duties as a director.

(iv) Where such duty of confidentiality arises out of a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, the Article as summarised in paragraph 12.10(f)(iii) shall apply only if the conflict arises out of a matter which is permitted or has been authorised by the Articles, subject to any imposed restrictions.

(g) Provisions applicable to declarations of interest

(i) Subject to the Companies Act and the Articles summarised in paragraphs 12.10(f), a director shall declare to the other directors the nature and extent of his interest:

(A) if such interest is permitted under the Articles and is an interest which may reasonably be regarded as likely to give rise to a conflict of interest;

(B) if he or she is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company; or

(C) if he or she is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, unless the interest has been so declared.

(ii) A director need not declare an interest:

(A) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

- (B) if, or to the extent that, the other directors are already aware of it (or ought reasonably to be aware); or
- (C) if it concerns terms of his service contract that have been or are to be considered by a meeting, or a committee, of the directors appointed for the purpose.

(h) Appointment of executive directors

The Board may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Companies Act and all other statutes, orders, prospectus rules, listing rules, transparency rules, regulations and other subordinate legislation) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

(i) Powers of executive directors

The Board may entrust to and confer upon any director holding any executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time-to-time revoke, withdraw, alter or vary all or any of such powers.

12.11 *Appointment and retirement of directors*

(a) Power of Company to appoint directors

Subject to the provisions of the Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles.

(b) Power of Board to appoint directors

Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of the Articles to appoint any person to be a director, the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. Any director so appointed must retire from office at, or at the end of, the next following annual general meeting and will then be eligible to stand for election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

(c) Retirement by rotation

At each annual general meeting, one-third of the directors for the time being shall retire from office by rotation (or, if their number is not a multiple of three, the number nearest to but not exceeding one-third shall so retire) provided always that all directors must be subject to reelection at intervals of no more than three years.

(d) Selection of directors to retire by rotation

The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last re-elected directors on the same day those to retire shall, unless they otherwise agree among themselves, be determined by lot together with those who in the absence of any such retirement would continue in office for a period in excess of three years. A retiring director shall be eligible for re-election.

(e) Vacation of office

The office of a director shall be vacated if:

- (i) he or she ceases to be a director by virtue of any provision of the Companies Act and all other statutes, orders, prospectus rules, listing rules, transparency rules, regulations and other subordinate legislation or he or she becomes prohibited by law from being a director;
- (ii) he or she becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act;
- (iii) he or she is, or may be suffering from mental disorder and either:
 - (A) he or she is admitted to hospital in pursuance of an application for admission for treatment pursuant to any statute relating to mental health; or
 - (B) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (iv) he or she resigns in writing delivered to the Company's registered office or he or she offers in writing to resign and the Board resolves to accept such offer;
- (v) he or she shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or
- (vi) notice stating he or she is removed from office as a director is served upon him signed by all his co-directors who must account to the members at the next general meeting of the Company. If a director holds an appointment to an executive office which automatically determines on his removal from office under this or the preceding sub-paragraph, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(f) Removal of director

The Company may, in accordance with and subject to the provisions of the Companies Act and all other statutes, orders, prospectus rules, listing rules, transparency rules, regulations and other subordinate legislation, by ordinary resolution of which special notice has been given, remove any director from office (notwithstanding any provision of the Articles or of any agreement between the Company and such director, but without prejudice to any claim he or she may have for damages for breach of any such agreement) and elect another person in place of a director so removed from office. Any person so elected shall be treated for the purpose of determining the time at which he or she or any other director is to retire by rotation as if he or she had become a director on the day on which the director in whose place he or she is elected was last elected a director. In default of such election the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

12.12 *Indemnity of directors*

Subject to the provisions of, and so far as is permitted by and consistent with the Companies Act and all other statutes, orders, prospectus rules, listing rules, transparency rules, regulations and other subordinate legislation, every Director and former Director of the Company or any Group Company (as defined in the Articles) may be indemnified out of the assets of the Company against any liability which he or she may sustain or incur in or about the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith. The Directors may exercise the powers of the Company to purchase and maintain insurance for the benefit of every Director and former Director of the Company and any Group Company (as defined in the Articles) against any such liability, at the expense of the Company.

12.13 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or charge its undertakings, property and assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

12.14 *Variation of Shareholder rights*

The rights attaching to shares in the Company are set out in the Articles and summarised above. For these rights to be varied or changed would require a general meeting of the Company to be convened. This would require 21 days written notice (in the absence of shareholders who together hold not less than 95 per cent. in nominal value of shares giving a right to attend and vote at the meeting deciding otherwise) to be given to each holder of shares of the relevant class. Each shareholder would have the right to attend the general meeting in person or by proxy and vote on the resolution to be proposed. Such resolution would be a special resolution of the Company and requires a majority of not less than three-quarters of shareholders voting in person or by proxy at such general meeting.

12.15 *Shareholder meetings*

The Company must in each year hold a general meeting as its annual general meeting (or "AGM"). An AGM must be convened, unless all shareholders entitled to attend and vote agree to short notice, on giving 21 days' notice in writing to the members of the Company. The Board may whenever it thinks fit, and shall on members' request in accordance with the Companies Act, proceed with proper expedition to convene a general meeting. The length of written notice to convene such a meeting is 14 clear days. General Meetings can be convened on shorter notice with the agreement of shareholders being a majority in number and holding not less than 95 per cent. in nominal value of the shares giving a right to attend and vote at the meeting. Shareholders need not attend a meeting of the Company in person but can do so by way of a validly appointed proxy. Proxies are appointed in accordance with the Articles. In essence, to be validly appointed, details of the proxy must be lodged at the Company's registered office no later than 48 hours before the commencement of the relevant meeting. Failure to lodge details of the appointed proxy in accordance with the Articles could result in the vote of the proxy being excluded on any resolution and possibly to the exclusion of the proxy from the meeting unless they were also a shareholder. If a shareholder is a corporation, whether or not a company, it can pass a resolution of its directors or other governing body to authorise such person as it thinks fit to act as its representative at any meeting of the Company or class meeting of shareholders of the Company.

12.16 *Notices to Shareholders*

Any notice or document (including a share certificate) may be given, sent, supplied, delivered or provided, in accordance with the Companies Act and subject to the Articles, to any Shareholder by the Company by sending it through the post addressed to the Shareholder at his registered address or by leaving it at that address addressed to the Shareholder or, where appropriate, by sending it in electronic form to an address for the time being notified by the Shareholder concerned to the Company for that purpose, or by publication on a website in accordance with the Companies Act or by any other means authorised in writing by the Shareholder concerned. In the case of joint holders of a share, service or delivery of any notice or document on or to the joint holder first named in the register in respect of the share shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

12.17 *Notification of major holdings of Ordinary Shares and change of control*

(a) Whilst disclosure of shareholdings is not a requirement of the Articles, chapter 5 of the Disclosure Guidance and Transparency Rules makes provision regarding notification of certain shareholdings and holdings of financial instruments. Where a person holds voting rights in the Company as shareholder or through direct or indirect holdings of financial instruments, then the person has an obligation to make a notification to the FCA and the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below three per cent. or any whole percentage figure above three per cent. The requirement to notify also applies where a person is an indirect shareholder and can acquire, dispose of or exercise voting rights in certain cases.

- (b) There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.
- (c) Save as set out above, there are no conditions imposed by the Articles regarding changes in the Company's capital which are more stringent than required by the law of England and Wales.

13. INTELLECTUAL PROPERTY

13.1 The Group currently has two outstanding patent applications in respect of its products and relies on these and a combination of domain name registrations, common law or statutory copyright protection and contractual restrictions to establish and protect its intellectual property.

13.2 Assignment of Intellectual Property Rights Agreement: Graeme Sargent

- (a) Zenova Ltd entered into an assignment of present intellectual property rights and future intellectual property rights with Graeme Sargent on 1 October 2020 and a deed of variation in respect of the same agreement on 13 May 2021 for the payment of £1.00 in relation to Zenova products. Furthermore, Graeme Sargent agrees to waive all rights of ownership in respect of any intellectual property and materials which are created or produced by him during or in the course of him providing services or creating the product or the intellectual property.
- (b) Furthermore, for a period of 10 years and thereafter perpetually Graeme Sargent has warranted to keep secret all confidential information; not communicate or disclose confidential information; not use the confidential information for his own purpose; and use his best endeavors to prevent any unauthorised publication, disclosure or use of any confidential information.

13.3 Assignment of Intellectual Property Rights Agreement: Shawn Pringle

- (a) Zenova Ltd entered into an assignment of present intellectual property rights, and future intellectual property rights with Shawn Pringle on 1 October 2020 and a deed of variation in respect of the same agreement on 13 May 2021 for the payment of £1.00 in relation to Zenova products. Furthermore, Shawn Pringle agrees to waive all rights of ownership in respect of any intellectual property and materials which are created or produced by him during or in the course of him providing services or creating the product or the intellectual property.
- (b) Furthermore, for a period of 10 years and thereafter perpetually Tony Crawley has warranted to keep secret all confidential information; not communicate or disclose confidential information; not use the confidential information for his own purpose; and use his best endeavours to prevent any unauthorised publication, disclosure or use of any confidential information.

13.4 Assignment of Intellectual Property Rights Agreement: Tony Crawley

- (a) Zenova Ltd entered into an assignment of present intellectual property rights, and future intellectual property rights with Tony Crawley on 1 October 2020 and a deed of variation in respect of the same agreement on 13 May 2021 for the payment of £1.00 in relation to Zenova products. Furthermore, Tony Crawley agrees to waive all rights of ownership in respect of any intellectual property and materials which are created or produced by him during or in the course of him providing services or creating the product or the intellectual property.
- (b) Furthermore, for a period of 10 years and thereafter perpetually Tony Crawley has warranted to keep secret all confidential information; not communicate or disclose confidential information; not use the confidential information for his own purpose; and use his best endeavours to prevent any unauthorised publication, disclosure or use of any confidential information.

13.5 *Assignment of Intellectual Property Rights Agreement: Daiki lida*

- (a) Zenova Ltd entered into an assignment of present intellectual property rights, and future intellectual property rights with Daiki lida dated 3 June 2021 for the payment of £1.00 in relation to Zenova products (in particular the Zenova fluid which Daiki lida has been involved in developing).
- (b) The payment terms are as follows:
 - (i) £1 in respect of the assignment of intellectual property rights relating to the fluid used in the fire extinguishers.
 - (ii) £2,500 per month in respect of all copyrights and other rights he may have in relation to the fluid (payable by Zenova Ltd each month for every month that Daiki lida works (for sufficient hours to fulfil his role) for Zenova Ltd (payable by Zenova Ltd each month for every month that Daiki lida works (for sufficient hours to fulfil his role) for Zenova Ltd);
 - (iii) \$0.75 per litre from any and all payments received by Zenova Ltd from sales of the fluid by it by way of royalty. This royalty is payable in perpetuity and is specifically stated to continue to be payable to Daiki lida in the event of a change of control of Zenova Ltd; and
 - (iv) after Admission, Zenova Ltd is committed to paying a minimum royalty every year of \$75,000, which is payable in perpetuity. The minimum royalty applies only if Zenova Ltd completes a successful Admission within 12 months from the date of the agreement.
- (c) Furthermore, for a period of 10 years and thereafter perpetually Daiki lida will keep secret all confidential information; not communicate or disclose confidential information; not use the confidential information for his own purposes; and use best endeavours to prevent any unauthorised publication, disclosure or use of any confidential information.

14. **PROPERTY, PLANT AND EQUIPMENT**

- 14.1 The principal establishment of the Group is 101 Kings Road, Brentwood, Essex CM14 4DR.
- 14.2 The Directors are not aware of any environmental issues that may affect the Group's utilisation of the above property.

15. **LITIGATION**

Neither the Company nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings during the previous 12 months and, so far as the Directors are aware, there are no governmental, legal or arbitration proceedings, pending or threatened against them or being brought by the Company or any of its subsidiaries which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

16. **EMPLOYEES**

On Admission, the Company will have two employees and engage four consultants. Zenova Ltd shall have one employee and engage four consultants.

17. **WORKING CAPITAL**

The Directors, having made due and careful enquiry, are of the opinion that, taking into account the net proceeds of the Placing receivable by the Company, the working capital available to the Group will, from Admission, be sufficient for its present requirements, that is for at least the next twelve months.

18. **SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION**

- 18.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 30 November 2020, the date to which the historical financial information on Zenova Ltd set out in Section B of Part 3 of this document was prepared.

18.2 Save as disclosed in this document, there has been no change in the financial or trading position of the Company since 17 May 2021, the date of its incorporation.

19. UNITED KINGDOM TAXATION

19.1 *Introduction*

- (a) The following paragraphs are intended as a general guide, based on current legislation and HMRC practice as at the date of this document, in relation to the UK tax position of Shareholders who are resident or ordinarily resident in the UK for tax purposes and who beneficially hold their shares as investments (otherwise than under an individual savings account (“ISA”)).
- (b) The following paragraphs do not constitute tax advice. In particular, Shareholders who receive shares in connection with an employment contract or as an office holder, in either case whether with the Company or otherwise, should seek specific advice on their tax position. **Any Shareholder who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United Kingdom, is strongly recommended to consult their own professional advisers immediately.**

19.2 *UK Taxation of dividends*

- (a) Under current UK taxation legislation, the Company is not required to withhold tax when paying a dividend (whether in cash or in the form of a stock dividend). Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.
- (b) UK resident individual Shareholders, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amounts of dividends received from the Company.
- (c) UK tax resident individuals have a £2,000 per annum dividend tax-free allowance. Dividend receipts from all sources in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers. Dividend income is treated as the top slice of a Shareholder’s income.
- (d) Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received from the Company but will not be entitled to claim relief in respect of any underlying tax.
- (e) Trustees and the personal representatives of deceased persons do not benefit from dividend allowance and pay income tax on the whole value of the dividends that they receive. Dividends received by trustees are taxed at a rate of 38.1 per cent. and those received by personal representatives are taxed at 7.5 per cent.
- (f) Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

19.3 *Taxation of capital gains*

- (a) For the purpose of UK tax on chargeable gains, the purchase of Shares on a placing will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Shares allotted to him, the Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional. The amount paid for the Shares will constitute the base cost of a Shareholder’s holding.
- (b) A disposal of all or any of the Shares may, depending on the circumstances of the relevant Shareholder, give rise to a liability to UK taxation on chargeable gains. Shareholders will normally be subject to UK taxation of chargeable gains, unless such holders are not resident for tax purposes in the UK.

(c) Individuals

- (i) Where an individual Shareholder disposes of Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£12,300 for 2021/22) and after taking account of any capital losses available to the individual.
- (ii) For individuals, capital gains tax will be charged at 20 per cent. However, if individual's income and gains fall below the income tax basic rate threshold, currently £37,500 for 2021/22 and/or the individual has held the shares for three years or more the capital gains tax for the individual will be charged at 10 per cent.
- (iii) For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount (for 2021/2022 up to £12,300 for personal representatives of deceased persons and trustees for disabled persons and up to £6,150 for other trustees) will be charged at a flat rate of 20 per cent. (being the current rate at the date of this document). Where a Shareholder disposes of the Shares at a loss, the loss should be available to offset against other current year gains or carried forward to offset against future gains.

(d) Companies

Where a Shareholder is within the charge to corporation tax, a disposal of Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company (currently 19 per cent. for 2021/22).

(e) Non-UK tax resident Shareholders

A Shareholder who is not resident for tax purposes in the UK will not generally be subject to Capital Gains Tax on the disposal or deemed disposal of Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law. An individual Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty for a period of five years or less and who disposes of all or part of his Shares during that period may be liable to Capital Gains Tax on his return to the UK, subject to any available exemptions or reliefs.

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

- (a) No stamp duty or SDRT should arise on the issue or allotment of the New Shares.
- (b) No stamp duty should be payable on instruments effecting the transfer of Shares provided that at the time of execution of the instruments the Shares are admitted to trading on AIM but not listed on any other market.
- (c) No liability to SDRT should arise on agreements to transfer existing Shares provided that, at the date the agreement is made or in the case of conditional agreements, the date on which the conditions are satisfied, the Shares are admitted to trading on AIM but not listed on that or any other market.
- (d) The above statements apply to any holders of 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.

19.5 *Inheritance Tax*

- (a) Individual and trustee investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax ("IHT") on the value of any Shares held by them.
- (b) IHT may also apply to individual Shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position. Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder,

on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances. However, a relief from IHT known as business property relief (“BPR”) may apply to Shares in trading companies once these have been held for two years. This relief applies notwithstanding that the Company’s shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares by 100 per cent. for IHT purposes.

19.6 EIS

- (a) The Company has not currently applied for any assurance from HMRC that the Placing Shares will be eligible for EIS purposes. EIS qualification for an individual, whose claim for relief will be conditional upon his or her own circumstances and is subject to holding the shares throughout the relevant three-year period.
- (b) If the Company does obtain assurance from HMRC that the Placing Shares are eligible for EIS purposes, the continuing status of the Placing Shares as qualifying for EIS purposes will be conditional on qualifying conditions being satisfied throughout the relevant period of ownership.
- (c) Neither the Company nor the Directors give any warranty, representation or undertaking:
 - (i) that the assurance will be granted by HMRC for EIS purposes; and/or
 - (ii) that any investment in the Company by way of EIS shares will remain a qualifying investment for EIS purposes.
- (d) The following provides an outline of the EIS tax reliefs available to individuals and trustee investors. Any potential investor should obtain independent advice from a professional advisor in relation to their own particular set of personal circumstances.
- (e) In summary, EIS Relief may be available where a qualifying company issues new shares, the purpose of which is to raise money for a qualifying business activity. The EIS shares must be subscribed for in cash and be fully paid up at the date of issue and must be held, broadly, for three years after they were issued.
- (f) EIS income tax relief is available to individuals only – the current relief is 30 per cent. of the amount subscribed for EIS shares to be set against the individual’s income tax liability for the tax year in which the EIS investment is made, and is available up to a maximum of £1,000,000 (and subject to certain conditions a maximum of £2,000,000 in EIS subscriptions per tax year. This relief can be ‘carried back’ one tax year. This relief is only available to individuals who are not connected with the Company in the period of two years prior to and three years after the subscription.
- (g) Very broadly, an individual is connected with the issuing company if (*inter alia*) he, she or his or her associates are employees or directors or have an interest in more than 30 per cent. of the Company’s ordinary share capital.
- (h) Where EIS income tax relief has been given and has not been withdrawn, any gain on the subsequent disposal of the shares in qualifying circumstances is generally free from capital gains tax. If the shares are disposed of at a loss, capital gains tax relief will generally be available for that loss net of any income tax relief previously given. Alternatively, an election can be made to set that loss (less any income tax relief already given) against income of that year or the previous year.
- (i) Individuals and trustees who have realised gains on other assets within one year before or up to three years after the EIS shares are issued, are able to defer a capital gains tax liability arising on those gains by making a claim to reinvest an amount of those gains against the cost of the EIS share subscription. Deferred gains will become chargeable on a disposal or deemed disposal of the EIS shares. The investor can be connected with the Company (as outlined above) and obtain such capital gains tax deferral relief.

19.7 VCT

- (a) Advance assurance has not been sought and obtained from HMRC that the Company should be a “qualifying holding” for the purposes of Chapter 4 of Part 6 of ITA 2007 for the purpose of investment by VCTs.
- (b) The qualifying status for VCT purposes will be contingent upon certain conditions being met by both the Company and the relevant VCT investor. Neither the Company nor the Company’s advisers give any warranties, assurances or undertakings that VCT qualifying status will be available or that, if initially available, such status will not be subsequently withdrawn. Should the law change, then any qualifying status previously obtained may be lost.
- (c) Circumstances may arise (which may include the sale of the Company) where the Directors believe that the interests of the Company are not best served by acting in a way that preserves VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such status claimed by any Shareholder.

20. MANDATORY BIDS, SQUEEZE-OUT AND SELL OUT RULES

20.1 *Mandatory bids*

The Takeover Code applies to the Company.

Rule 9 of the Takeover Code is designed to prevent the acquisition or consolidation of control of a company subject to the Takeover Code without a general offer being made to all shareholders. Rule 9 states that, when any person or group of persons acting in concert acquires (whether by one transaction or a series of transactions) an interest in shares which carry 30 per cent. or more of the voting rights of the company, such person or persons acting in concert must normally make a general offer for the balance of the issued share capital of such company. Rule 9 also states that any person or group of persons acting in concert that is interested in shares which in 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 must normally make a general offer for the balance of the issued share capital should there be any increase in the percentage of the shares carrying voting rights in which they or any person acting in concert with them are interested.

An offer under Rule 9 must be made in cash and at 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.

20.2 *Squeeze-out rules*

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

20.3 *Sell-out rules*

- (a) The Companies Act gives minority Shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 20.2 above. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder’s Ordinary Shares.

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

21. MATERIAL CONTRACTS

21.1 General

The below contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or its subsidiaries within two years immediately preceding the date of this document or are expected to be entered into shortly after Admission and are, or may be, material in the context of the Group. There are no other contracts (not being contracts entered into in the ordinary course of business) other than those contracts disclosed in this Part 4 entered into by any member of the Group which contain any provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

21.2 Placing Agreement

- (a) The Company entered into the Placing Agreement with SPARK, Brandon Hill, and the Directors on 16 July 2021. Pursuant to the Placing Agreement, Brandon Hill, as agent for the Company, agreed to use its reasonable endeavours to seek placees to subscribe for and/or purchase the Placing Shares.
- (b) Brandon Hill's obligation to seek placees to subscribe for and/or purchase the Placing Shares in the circumstances described above is conditional on, amongst other things:
 - (i) the delivery by the Company of a certificate confirming that the relevant conditions (other than Admission having occurred) have been fulfilled and that, so far as the Company is aware, the warranties in the Placing Agreement have not become untrue, inaccurate or misleading by reference to the circumstances subsisting prior to Admission; and
 - (ii) Admission taking place by not later than 8.00 a.m. on 22 July 2021 (or such later time and/or date as SPARK, Brandon Hill and the Company agree).
- (c) The Placing Agreement contains certain warranties given by the Company and the Directors in favour of Brandon Hill and SPARK as to, amongst other things, certain matters relating to the Company and its business. In addition, the Company has given certain undertakings to Brandon Hill and SPARK relating to, amongst other things, the despatch of public communications concerning the Company following the Placing and the issue and allotment of the Placing Shares following the Placing. The Placing Agreement also contains indemnities given by the Company in favour of Brandon Hill and SPARK in relation to certain liabilities it may incur in respect of the Placing.
- (d) Brandon Hill and SPARK has the right to terminate the Placing Agreement prior to Admission in certain circumstances, including:
 - (i) in the event of certain force majeure events or other events involving certain material adverse changes relating to the Company; and
 - (ii) in the opinion of SPARK or Brandon Hill there has been a material adverse change (whether or not foreseeable) or reasonably likely to involve a prospective material change in, or affecting, the condition or the earnings, management, business affairs, solvency, credit rating or, projects of the Company or of the Group, whether or not arising in the ordinary course of the business.
- (e) The Placing Agreement sets out details of the fees, commission and warrants payable to SPARK and Brandon Hill in respect of Placing and Admission.

21.3 *Agreement with SPARK to act as nominated adviser on an ongoing basis*

Pursuant to a nominated adviser agreement dated 22 July 2021 between SPARK and the Company, SPARK has agreed to act as the Company's nominated adviser from admission for the purpose of the AIM Rules for Companies. The agreement provides that SPARK shall be paid an annual retainer fee for the provision of nominated adviser services. No sum shall be payable more than once under the nominated adviser agreement and the Placing Agreement.

The appointment of SPARK as nominated adviser under the nominated adviser agreement shall (subject to certain early termination provisions in the agreement) be for an initial period of 12 months and shall continue thereafter, however, the agreement can be terminated by SPARK giving to the Company not less than three months' notice, or the Company giving SPARK not less than 12 months' notice. Save that the Company shall not give notice during the first 12 months of the appointment.

The nominated adviser agreement also contains indemnities and undertakings given by the Company.

21.4 *Agreement with Brandon Hill to act as broker on an ongoing basis*

Pursuant to a broker agreement dated 22 July 2021 between Brandon Hill and the Company, Brandon Hill has agreed to act as the Company's broker from admission for the purpose of the AIM Rules for Companies. The agreement provides that Brandon Hill shall be paid an annual retainer fee for the provision of broker services. No sum shall be payable more than once under the broker agreement and the Placing Agreement.

The appointment of Brandon Hill as broker under the broker agreement shall (subject to certain early termination provisions in the agreement) be for an initial period of 12 months and shall continue thereafter unless and until terminated by either the Company or Brandon Hill giving to the other not less than three months' notice.

The broker agreement also contains indemnities and undertakings given by the Company.

21.5 *Registrar's Agreement*

On 7 May 2021, the Company entered into a registrar agreement under which the Registrar will provide services connected with the maintenance of the Company's register. The initial term of the registrar agreement shall be for 12 months from the commencement date after which period the registrar agreement shall automatically renew for successive periods of 12 months. Either party may terminate the registrar agreement by giving six weeks' notice. The registrar agreement contains certain indemnities given by the Company to the Registrar which are customary for an agreement of this nature.

21.6 *Share Exchange Agreement – Zenova Ltd*

(a) The Company entered into the Share Exchange Agreement with the holders of shares in Zenova Ltd (the "Sellers") on 20 May 2021. Pursuant to the Share Exchange Agreement, the Sellers agreed to sell their shares in Zenova Ltd to the Company in exchange for the Company allotting and issuing (credited as fully paid) to the Sellers Ordinary Shares.

(b) The Share Exchange resulted in the Sellers holding Ordinary Shares in the Company in the same proportions as they had held in Zenova Ltd.

(c) Tony Crawley was issued two subscriber shares (being two Ordinary Shares) on incorporation of the Company, and as a result he was issued two fewer Ordinary Shares as part of the Share Exchange. The two subscriber shares are credited as fully paid.

21.7 *ZDL Share Exchange Agreement*

(a) The Company and Motus Distribution Limited entered into the ZDL Share Exchange Agreement on 6 July 2021.

(b) Pursuant to the ZDL Share Exchange Agreement, conditional on Admission, Motus Distribution Limited, the sole shareholder of ZDL shall transfer its entire shareholding in ZDL to the Company in consideration of the issue of 12,350,000 Ordinary Shares to Motus Distribution Limited on Admission.

(c) The ZDL Share Exchange Agreement shall result in ZDL becoming a wholly owned subsidiary of the Company.

21.8 *Lock-in Agreements*

Pursuant to the Lock-in Agreements, the executive Directors who hold Ordinary Shares and the Locked-in Shareholders have agreed:

- for a period of 12 months from Admission, that they will not dispose of any of the Ordinary Shares held by them (or enter into a transaction with the same economic effect);
- during the period commencing on the 12 month anniversary of Admission and ending on the 18 month anniversary of Admission, that they will not dispose of more than one third of the Ordinary Shares held by them (or enter into a transaction with the same economic effect); and
- during the period commencing on the 18 month anniversary of Admission and ending on the 24 month anniversary of Admission, that they will not dispose of more than two thirds of the Ordinary Shares held by them (or enter into a transaction with the same economic effect) (inclusive of any Ordinary Shares disposed of during the period of commencing on the 12 month anniversary of Admission and ending on the 18 month anniversary of Admission),

in each case subject to certain limited exceptions including in the event of an intervening court order, the death of a party who is subject to the lock-in, in respect of an acceptance of a takeover offer for the Company which is open to all shareholders or, during the period commencing on the 12 month anniversary of Admission and ending on the 24 month anniversary of Admission, with the prior written consent of Brandon Hill and SPARK.

In addition, the executive Directors who hold Ordinary Shares and the Locked-in Shareholders have agreed, for a period of 12 months commencing on the 12 month anniversary of Admission, subject to limited exceptions, not to trade any Ordinary Shares except through Brandon Hill.

The Lock-in Agreements have been entered into for the purposes of preserving an orderly market in the Ordinary Shares after Admission.

21.9 *Relationship Agreement*

The principal purpose of the Relationship Agreement is to ensure that the Company will at all times be capable of carrying on the business of the Group independently of Motus Distribution Limited and Rockmasters Limited and their respective associates. The Relationship Agreement takes effect from Admission. The Relationship Agreement will terminate if the Shares cease to be admitted to trading on AIM (not including any period of suspension of trading) or if Motus Distribution Limited and Rockmasters Limited, together with their respective associates, cease to retain an aggregate interest of 10 per cent. or more of the rights to vote at a general meeting of the Company attaching to the Shares.

21.10 *Warrant instruments*

Paragraph 4.11 above details the warrants the Company currently has in issue.

The warrant instruments contain a change of control provision entitling each warrant holder to be given notice if there is to be a change of control and the opportunity to exercise their subscription rights. The warrants (except those held by Rockmasters Limited^{*}) can be assigned or transferred by the warrant holder at any time (without consent of the Company).

21.11 *Employment contract – with Paul Williamson and Zenova Ltd dated 26 May 2021*

Paul entered into an employment agreement with Zenova Ltd dated 26 May 2021 for the position of sales director. Paul's duties as sales director commenced on the date of the agreement, however his continuous employment is not regarded as taking effect until the later of Admission and 30 June 2021. If he is carrying out duties prior to the commencement date stated in the contract, it is likely that his continuous service (for the purposes of employment legislation) would be deemed to have started earlier. Paul will be paid an annual salary of £80,000 gross per annum and a discretionary bonus. Contractual sick pay is full pay inclusive of statutory sick pay for 28 weeks in a 3-year period.

^{*}Assigned by ZDL to Rockmasters Limited on 29 June 2021.

A non-compete clause prevents Paul from being involved in a competing business during his employment and for one year after the end of his employment.

Paul is prohibited from poaching or interfering with Zenova Ltd's relationship with employees and contractors for one year following the end of his employment. In addition, for one year after his employment terminates, he must not discuss employment opportunities or provide information about competitive employment to any of Zenova Ltd's employees or consultants. The restriction is limited to those that were employed or engaged by Zenova Ltd during the employee's employment; and a clause prohibiting the employee from diverting business away from the Company, during the term of his appointment and for a period of one year after termination of employment.

The service agreement provides severance pay of 12 months' salary if the employment is terminated "without cause."

21.12 *Manufacturing Agreement*

- (a) Please note, for privacy and due to the sensitive nature of the formulas and products which the manufacturer shall have access to, the identity of the manufacturer is to be kept confidential and shall be referred to as the "**Manufacturer**" in this document.
- (b) Zenova Ltd entered into a Manufacturing Agreement with the Manufacturer on 7 May 2021. Pursuant to the Manufacturing Agreement, the Manufacturer has agreed to manufacture Zenova Ltd's products in accordance with the specifications and requirements delivered to the Manufacturer by Zenova Ltd until 31 December 2026.
- (c) Zenova Ltd will pay the Manufacturer the service fees outlined in each request sheet, which is required to be completed for each order placed by Zenova Ltd.
- (d) Zenova Ltd's intellectual property is protected under the Manufacturing Agreement and there are confidentiality provisions which place obligations on the Manufacturer to keep Zenova Ltd's confidential information, confidential.
- (e) The Manufacturer will be required to perform quality control tests in accordance with the quality standards to be set out in the technical schedule. The technical schedule will be submitted and signed by both Zenova Ltd and the Manufacturer with each specific product order.
- (f) Zenova Ltd may terminate the services under a request sheet at any time if the Manufacturer fails to render the services as required under the request sheet. Further either party may terminate the agreement at any time if the other fails to observe or perform any of its material obligations under the agreement and, in the case of a failure capable of being remedied, the defaulting party fails to do so to the satisfaction of the affected party within 15 days. There are no rights for either party to terminate immediately if the breach is incurable.

21.13 *Distribution Agreement*

- (a) Zenova Ltd entered into an exclusive distribution agreement with ZDL dated 21 April 2021 and two deeds of variation respectively dated 27 May 2021 and 4 June 2021 (together the "Distribution Agreement"). Pursuant to the Distribution Agreement, ZDL has been appointed as Zenova Ltd's exclusive global distributor for Zenova products with the right to appoint other sub-distributors as appropriate.
- (b) The minimum term of the agreement is 15 years after which the agreement continues, unless terminated in accordance with the termination provisions. Under the Distribution Agreement, ZDL must attain the following targets each year:
 - (i) Year 1: £9,780,000
 - (ii) Year 2: £33,150,000
 - (iii) Year 3: £69,050,000
 - (iv) Year 4: £120,700,000
 - (v) Year 5: £192,900,000

- (c) If ZDL fails to hit the above targets, Zenova Ltd can place ZDL on a performance review. If the Distributor fails to meet the performance expectations after being placed on a review, Zenova Ltd reserves the right to terminate the Distribution Agreement.
- (d) After five years the target at five years remains the same for the rest of the term.

21.14 *Sub-distribution Agreement between ZDL and SOL Safety Europe Limited*

- (a) ZDL (Zenova Ltd's exclusive distributor) has entered into a sub-distribution agreement with SOL Safety Europe Limited ("**SOL**") dated 18 March 2021. Pursuant to the sub-distribution agreement, ZDL grants SOL non-exclusive distribution rights to sell Zenova products in the UK provided they hit the sales target of £55,000 per year.
- (b) The agreement is on a rolling 12-month term with a three-month review and is determinable on three months written notice.
- (c) If, in any financial year, orders by SOL fail to meet the minimum value in respect of a territory in which they operate, then for the following financial year such territory will become under quarterly review. If SOL fail to meet the minimum value or fail to produce a performance notice within three business days of a review date, then ZDL can remove SOL from operating in that territory.
- (d) ZDL can cancel, suspend, sell or otherwise dispose of any of the products which are subject of any order made by SOL if SOL fails to pay the price for the products in accordance with the payment terms.
- (e) SOL may identify certain clients as having a serious interest in the products and therefore have exclusivity over those clients provided ZDL is informed of the active negotiation between SOL and the relevant client/ss. In such a case, ZDL shall not appoint other sub-distributors, resellers or agents to market, sell or lease the products to those clients for the duration of the agreement.

21.15 *Sub-distribution Agreement between the Distributor and GB Compliance Limited (currently being negotiated)*

- (a) Following Admission ZDL (Zenova Ltd's exclusive distributor) anticipates entering into a sub-distribution agreement with GB Compliance Limited ("**GB**") the anticipated terms of the sub-distribution agreement which is still currently being negotiated are set out below. ZDL shall grant GB non-exclusive distribution rights to sell Zenova products in the UK provided they hit the sales target of £55,000 per year.
- (b) The agreement shall be on a rolling 12-month term with a three-month review and shall be determinable on three months written notice.
- (c) If, in any financial year, orders by GB fail to meet the minimum value in respect of a territory in which they operate, then for the following financial year such territory will become under quarterly review. If GB fail to meet the minimum value or fail to produce a performance notice within three business days of a review date, then ZDL can remove GB from operating in that territory.
- (d) ZDL shall be able to cancel, suspend, sell or otherwise dispose of any of the Products which are subject of any order made by GB if GB fails to pay the price for the products in accordance with the payment terms.
- (e) GB may identify certain clients as having a serious interest in the products and therefore have exclusivity over those clients provided ZDL is informed of the active negotiation between GB and the relevant client/s. In such a case, ZDL shall not appoint other sub-distributors, resellers or agents to market, sell or lease the products to those clients for the duration of the agreement.

21.16 *Sub-distribution Agreement between ZDL and Gerian Reshat Kula & Chenri Petrak Kotori*

- (a) Zenova Distribution Ltd (Zenova Ltd's exclusive distributor) has entered into a sub-distribution agreement with Gerian Reshat Kula & Chenri Petrak Kotori ("**GRK & CPK**") dated 13 May 2021. Pursuant to the sub-distribution agreement, ZDL grants GRK & CPK non-exclusive distribution rights to sell Zenova products in Australia and New Zealand provided they hit the sales target of £2,000,000 per year.

- (b) The initial term is for six months from the commencement date (13 May 2021) subject to the first order being placed during such period and will then become a three year rolling contract (subject to minimum values) until terminated in accordance with the termination provisions.

21.17 *Coronavirus Business Interruption Loan*

In May 2020, Zenova Ltd received a £50,000 government bounce-back loan from HSBC plc (as part of the government's commitment to help businesses during the COVID-19 pandemic). The first payment of £887.37 is due on 14 June 2021. Zenova Ltd has an option of a further extended holiday to reduce payments for six months (if desired) of £105.02 in this period. Zenova Ltd also has the option to extend the loan term from six years to ten years at the same interest rate (2.5 per cent.) if required. The loan contains an indemnity under which Zenova Ltd indemnifies HSBC against any and all costs or losses they incur because of a breach by Zenova Ltd of the loan agreement and/or a change in or the introduction of a law or regulation.

The loan also restricts Zenova Ltd from transferring any of its rights and obligations under the loan agreement.

22. INFORMATION ON HOLDINGS

The Company does not hold a proportion of capital in any undertakings outside of the Group which are likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

23. RELATED PARTY TRANSACTIONS

Save for the related party transactions referred to in note 2 to the financial information on the Group in Part 3 of this document, during the period of two years immediately preceding the date of this document, none of the members of the Group have entered into any related party transactions.

24. OTHER INFORMATION

- 24.1 The registrars of the Company are Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD
- 24.2 The auditors of the Company are PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London E14 4HD who are a member firm of the Institute of Chartered Accountants in England and Wales.
- 24.3 The Company's accounting reference date is 30 November.
- 24.4 SPARK has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.
- 24.5 Brandon Hill has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.
- 24.6 PKF Littlejohn LLP has given and not withdrawn its written consent to the inclusion in this document of its report in Section A of Part 3 in the form and context in which it is included. PKF Littlejohn LLP has no material interest in the Company.
- 24.7 The Placing Price represents a premium over the nominal value of £0.001 per Share.
- 24.8 Except as described in paragraph 4 of Part 4 or elsewhere in this document, no persons (excluding professional advisers otherwise disclosed in this document and trade suppliers) have received, directly or indirectly, from the Company within the 12 months preceding the date of this document, and no persons have entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- (a) fees, totaling £10,000 or more;
 - (b) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.

- 24.9 The costs and expenses of, and incidental to, the Placing and Admission are payable by the Company and are estimated to amount to £822,000 (excluding Value Added Tax). The net proceeds of the Placing are estimated at approximately £3.68 million for the Company.
- 24.10 The information in this document that has been sourced from a third party has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no material facts have been omitted which would render the reproduced information inaccurate or misleading.
- 24.11 There have been no takeover offers (within the meaning of Part 28 of the Companies Act) by third parties for any of the Ordinary Shares.
- 24.12 Nothing in this document is intended to be or should be taken as a profit forecast, estimate or projection.
- 24.13 Save as set out in this document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.
- 24.14 Save as disclosed in this document, no exceptional factors have influenced the Company's activities.
- 24.15 There have been no interruptions in the business of the Group, which may have or have had in the 12 months preceding the publication of this document a significant effect on the financial position of the Group or which are likely to have a material effect on the prospects of the Group for the next 12 months.
- 24.16 The Directors are not aware of any significant recent trends in production, sales and inventory and costs and selling prices between 30 November 2020 (being the end of the Group's last financial year) and the date of this document. There are no uncertainties, demands, commitments or events known to the Directors that are reasonably likely to have a material effect on the Group's prospects for the current financial year.
- 24.17 There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.
- 24.18 There are no environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 24.19 The financial information in the document does not constitute full statutory accounts as referred to in section 240 of the Companies Act. No further statements or accounts have been prepared or delivered to the Registrar of Companies for the Company.
- 24.20 As at the date of this document, the Company has not yet commenced operations, has no material assets or liabilities and no financial statements have been made up.
- 24.21 The financial information on Zenova Ltd contained in Section B of Part 3 of this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act. Zenova Ltd has not previously been required to prepare audited financial statements. Having not previously traded, the Company does not have any historical financial information.
- 24.22 Save in connection with the application for Admission, none of the Existing Ordinary Shares and/or the New Ordinary Shares have been admitted to dealing on any recognised investment exchange and no application for such admission has been made. It is not intended to make any other arrangements for dealings in such shares on any such exchange.
- 24.23 Monies received from applications pursuant to the Placing will be held in accordance with the terms of the placing letters issued by Brandon Hill until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 22 July 2021, application monies will be returned to applicants at their own risk without interest.
- 24.24 There are no arrangements in place under which further dividends are to be waived or agreed to be waived.

24.25 The contents of the Company's website (www.zenovagroup.com), any website mentioned in this document or any website directly or indirectly linked to these websites have not been verified and do not form part of this document, and prospective investors should not rely on such information.

25. AVAILABILITY OF THIS DOCUMENT

Copies of this document are available free of charge to the public during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Company and shall remain available for at least one month after Admission. Copies of this document will also be available for download at the Company's website at www.zenovagroup.com.

Dated: 16 July 2021

