ADMISSION DOCUMENT
NOVEMBER 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the FSMA if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser.

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with an application for admission to trading on AIM of the entire issued and to be issued share capital of Devolver Digital, Inc.

This document does not constitute an offer or any part of any offer of transferable securities to the public within the meaning of section 102B of the FSMA or otherwise. Accordingly, this document does not constitute a prospectus for the purposes of section 85 of the FSMA or otherwise, and has not been drawn up in accordance with the Prospectus Regulation Rules or filed with or approved by the FCA or any other competent authority.

Application has been made for the Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Shares will commence on AIM on 4 November 2021. The Shares are not dealt on any other recognised investment exchange and no application is being made for admission of the Shares to the Official List of the FCA.

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 FCA. 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.

The Company and the Directors, whose names appear on page 13 of this document, accept responsibility both individually and collectively for the information contained in this document. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. **The whole of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is drawn in particular to Part III of this document entitled "Risk Factors", which describes certain risks associated with an investment in Devolver Digital, Inc.**

Devolver Digital, Inc.

(incorporated and registered in the State of Delaware, US under the General Corporation Law of the State of Delaware registered number 4524543)

Placing of 21,288,428 New Placing Shares and 98,292,740 Sale Shares

at 157 pence per Share

and

Admission to trading on AIM

Zeus Capital

Nominated Adviser and Sole Bookrunner

Enlarged Share Capital immediately following Admission

Number	*Issued outstanding and fully paid*	*Aggregate par value*
442,256,716	Shares of $0.0001 par value each	$44,226

Zeus Capital Limited ("**Zeus Capital**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company as nominated adviser and sole bookrunner in connection with the Placing and Admission, and will not be responsible to any other person for providing the protections afforded to customers of Zeus Capital or advising any other person in connection with the Placing and Admission. Zeus Capital's responsibilities as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to London Stock Exchange and not to the Company, the Directors or to any other person in respect of such person's decision to acquire Placing Shares in reliance on any part of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Zeus Capital by the FSMA or the regulatory regime established under it, Zeus Capital does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Zeus Capital with respect to the accuracy or completeness of this document or any part of it.

The Placing Shares are being offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and within the United States to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in and in reliance on Rule 144A under the US Securities Act ("**Rule 144A**") or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective purchasers are hereby notified that sellers of the Placing Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Placing Shares and the distribution of this document, see Part VII of this document.

Neither the Placing Shares nor the Subscription Shares have been, and will not be, registered under the US Securities Act. None of the United States Securities and Exchange Commission (the "**SEC**"), any other US federal or State securities commission or any US regulatory authority has approved or disapproved of the Placing Shares or the Subscription Shares nor have such authorities reviewed, passed upon or endorsed the merits of the offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. There will be no public offering of the Placing Shares or the Subscription Shares in the United States or in any other jurisdiction.

The Placing Shares to be sold in reliance on Regulation S are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, offering restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of such Placing Shares. Further details of these restrictions are set out in Part VII of this document. Further, hedging transactions in the Placing Shares may not be conducted unless in compliance with the US Securities Act.

The Placing Shares and the Subscription Shares are "restricted securities" as defined in Rule 144 under the US Securities Act. Purchasers of the Placing Shares or the Subscription Shares may not offer, sell, pledge or otherwise transfer the Placing Shares or the Subscription Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act, or pursuant to an exemption from the registration requirements of the US Securities Act. Furthermore, the Placing Shares and Subscription Shares to be sold in reliance on Regulation S may not be sold to, or for the account or benefit of, any US person until at least the expiry of one year after the later of (i) the time when the Placing Shares are first offered to persons other than distributors in reliance upon Regulation S and (ii) the date of the closing of the Placing, or such longer period as may be required under applicable law or as determined by the Company (the "**Distribution Compliance Period**"). The Company currently intends that these restrictions will remain in place indefinitely.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and is not for publication or distribution in or into Canada, Australia, New Zealand, the Republic of South Africa or Japan. The Shares have not been and will not be registered under any province or territory of Canada, Australia, New Zealand, the Republic of South Africa or Japan, nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Shares may not be offered or sold directly or indirectly in or into Canada, Australia, New Zealand, the Republic of South Africa, Japan or to any national, resident or citizen of Canada, Australia, New Zealand, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

Copies of this document will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays in the United Kingdom or the United States) at the registered offices of the Company and, for one month from Admission, at the offices of Zeus Capital at 10 Old Burlington Street, London W1S 3AG. This document is also available on the Company's website, www.devolverdigital.com.

IMPORTANT INFORMATION

This document should be read in its entirety before making any decision to subscribe for or purchase Shares. Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Zeus Capital, or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the AIM Rules for Companies, neither the delivery of this document nor any acquisition of Shares made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this document or any subsequent communications from the Company, Zeus Capital, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters. Each prospective investor should consult with their own advisers as needed to make its investment decision and to determine whether it is legally permitted to hold Shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of an investment in Shares for an indefinite period of time.

The Company will update the information provided in this document by means of a supplement to it if a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in this document before Admission. Any supplementary admission document will be made public in accordance with the AIM Rules for Companies.

Investing in and holding the Shares involves financial risk. Prior to investing in the Shares, investors should carefully consider all of the information contained in this document, paying particular attention to the Risk Factors in Part III of this document. Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information contained in this document and their personal circumstances.

In connection with the Placing, the Sole Bookrunner and any of its affiliates, acting as investors for their own accounts, may acquire Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, the Sole Bookrunner and any of its affiliates acting as investors for their own accounts. The Sole Bookrunner does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Sole Bookrunner and its affiliates may have in the past engaged, and may in the future, from time to time, engage in transactions with, and provided various investment banking, financial advisory and other ancillary activities in the ordinary course of their business with the Company, in respect of which they have received, and may in the future receive, customary fees and commissions. As a result of these transactions, these parties may have interest that may not be aligned, or could possibly conflict, with the interests of investors.

Notice to prospective investors in the United Kingdom

No Shares have been offered or will be offered pursuant to the Placing or the Subscription to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the FCA, or in accordance with the Prospectus Regulation, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

(1) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Sole Bookrunner for any such offer; or

(3) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Shares shall require the Company or any other person to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

This document is being distributed to, and is directed only at, persons in the United Kingdom who are qualified investors within the meaning of Article 2 of the UK Prospectus Regulation: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Order; and/or (ii) high net worth entities, unincorporated associations and other bodies falling within Article 49 of the Order; and (iii) other persons to whom it may otherwise be lawfully be distributed without an obligation to issue a prospectus or other offering document approved by a regulatory body (each a "**Relevant Person**"). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with such persons. Persons who are not Relevant Persons should not rely on or act upon this document.

Notice to prospective investors in the EEA

In relation to each member state of the EEA (each, a "**Relevant State**"), no Shares have been offered or will be offered pursuant to the Placing or Subscription to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant State:

(1) to any legal entity which is a qualified investor as defined in Article 2 of the Prospectus Regulation;

(2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Sole Bookrunner for any such offer; or

(3) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer to the public" in relation to any offer of Shares in any Relevant State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, and the expression the "Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

Notice to prospective investors in Hong Kong

WARNING: The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Shares. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed

at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

This document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong without the consent of Devolver Digital.

Notice to prospective investors in Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS"). Accordingly, Shares may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired Shares pursuant to an offer made under Section 275 except:

(3) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(b) of the SFA, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(4) where no consideration is or will be given for the transfer;

(5) where the transfer is by operation of law;

(6) as specified in Section 276(7) of the SFA; or

(7) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notice to prospective investors in Japan

The Shares have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 as amended, the "**FIEA**") and disclosure under the FIEA has not been, and will not be, made with respect to the Shares. Neither the Shares nor any interest therein may be offered, sold, resold, or otherwise transferred, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, a resident of Japan is any person that is resident in Japan, including any corporation or other entity organised under the laws of Japan.

In connection with the primary offering of the Shares, registration pursuant to Article 4, Paragraph 1 of the FIEA has not been made as the solicitation for the offering is "*shoninzu muke kanyu*" as set out in Article 23-13, Paragraph 4 of the FIEA, and the Shares may only be offered, sold, resold or otherwise transferred, directly or indirectly to, or for the benefit of, 49 or fewer residents of Japan.

Notice regarding US federal securities laws, settlement and restrictions on transferability

This document is not for release, publication or distribution, directly or indirectly, in whole or in part, in or into the United States or to, or for the account or benefit of, any US Person except to US Persons who are reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in and in reliance on Rule 144A under the Securities Act ("**Rule 144A**"). This document does not constitute an offer of, or the solicitation of an offer to subscribe for, or to purchase, the Placing Shares in the United States or to, or for the account or benefit of, US Persons, or to any other person to whom it is unlawful to make such offer or solicitation or which may result in the requirement to register the Placing Shares under the US Securities Act. Securities may not be offered or sold in the United States absent registration under the US Securities Act or in reliance upon an available exemption from registration under the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. No public offering of the Placing Shares is being made in the United States.

The Placing Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective purchasers are hereby notified that sellers of the Placing Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Placing Shares and the distribution of this document, see Part VII of this document.

The Placing Shares to be sold in reliance on Regulation S are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, offering restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Shares. Further details of these restrictions are set out in Part VII of this document. Further, hedging transactions in the Placing Shares may not be conducted unless in compliance with the US Securities Act.

The Placing Shares and the Subscription Shares are "restricted securities" as defined in Rule 144 under the US Securities Act. Purchasers of the Placing Shares or the Subscription Shares may not offer, sell, pledge or otherwise transfer the Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act. The Placing Shares and the Subscription Shares to be sold in reliance of Regulation S may not be sold to, or for the account or benefit of, any US Person until at least the expiry of the Distribution Compliance Period. The Company currently intends that these restrictions will remain in place indefinitely.

The Placing Shares and the Subscription Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any proposed offering of the Placing Shares or the Subscription Shares, or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Important information regarding US federal securities laws, settlement and restrictions on transferability of the Shares is set forth in Part VI and Part VII of this document.

Available Information for US Investors

The Company has agreed that for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the US Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the US Securities Act.

Forward-looking statements

Certain statements in this document are or may constitute "forward-looking statements", including statements about current beliefs and expectations. In particular, the words "expect", "anticipate", "estimate", "may", "should", "could", "plans", "intends", "will", "believe" and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. They appear in a number of places throughout this document and include, but are not limited to, statements regarding intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in the Group's business strategy, political and economic uncertainty and other factors discussed in Part I, Part II and Part III of this document.

Any forward-looking statements in this document reflect current views 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 and growth strategy. Investors should specifically consider the factors identified in this document which could cause results to differ before making an investment decision. Subject to the requirements of applicable law or regulation, the Group undertakes no obligation publicly to release the result 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.

Any forward-looking statement in this document based on past or current trends and/or activities of the Group should not be taken as a representation or assurance that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed the historical or published earnings of the Group.

Presentation of financial information

The consolidated historical financial information of the Group for the three years and six months ended 30 June 2021, which is set out in Section B of Part IV of this document, has been prepared in accordance with IFRS.

The Group have historically reported under US Generally Accepted Accounting Practice ("US GAAP"). An explanation of the changes to the Group's financial information on transition from US GAAP to IFRS is presented in note 32 of Section B of Part IV of this document.

Certain non-statutory measures such as EBITDA and Adjusted EBITDA have been included in the financial information contained in this document as the Directors believe that these present important alternative measures with which to assess the Group's performance. These measures should not be considered as an alternative to revenue and operating profit, which are IFRS measures, or other measures of performance under IFRS. In addition, the Company's calculation of EBITDA and Adjusted EBITDA may be different from the calculation used by other companies and therefore comparability may be limited.

Rounding

The financial information and certain other figures in this document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this document reflect calculations

based on 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 on the rounded numbers.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data and statistics in this document constitute management estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports, as well as from third-party sources as described in the footnotes to such information. All third-party information set out in this document has been accurately reproduced and, so far as the Company is aware and has been able to ascertain from information published by the relevant third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such third-party information has not been audited or independently verified and the Company and the Directors accept no responsibility for its accuracy or completeness.

No incorporation of website information

The contents of the Company's website, 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.

Information to Distributors

UK Product Governance Requirements

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Zeus Capital, as Sole Bookrunner, shall only procure investors in the United Kingdom which meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Shares.

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

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing

measures (together, the "**EU Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the EU Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to product approval process, which has determined that the Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in EU Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by EU Product Governance Requirements (the "**EU Target Market Assessment**"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Zeus Capital, as Sole Bookrunner, shall only procure investors in the European Union which meet the criteria of professional clients and eligible counterparties.

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

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

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PLACING STATISTICS AND EXPECTED TIMETABLE

Placing Statistics

Placing Price (per Share)	157 pence
Number of Existing Shares in issue and outstanding as at the date of this document*	11,422,654
Number of Existing Shares in issue and outstanding following the Pre-IPO Reorganisation†	399,792,890
Number of Shares to be issued by the Company in the Placing (being, the New Placing Shares)	21,288,428
Number of Shares to be issued by the Company pursuant to the Subscription (being, the Subscription Shares)	1,990,568
Number of Shares to be sold by the Selling Shareholders in the Placing (being, the Sale Shares)	98,292,740
Number of Options Sale Shares (being Shares which do not form part of the Existing Share Capital and which shall be issued and sold by the Options Selling Shareholders in the Placing (the Options Sale Shares form part of the Sale Shares))	3,387,720
Number of Options Shares (being Shares which do not form part of the Existing Share Capital and which shall be issued pursuant to the exercise of Options)	1,324,120
Fundraising Shares as a percentage of the Existing Shares	5.8 per cent.
Sale Shares as a percentage of the Existing Shares	24.6 per cent.
Number of Contingent Consideration Shares to be issued by the Company pursuant to the Dodge Roll SPA, Firefly SPA and Nerial SPA upon Admission	14,472,990
Number of Shares in issue immediately following Admission	442,256,716
Market capitalisation of the Company at the Placing Price immediately following Admission(1)	£694,343,044
Gross proceeds of the Fundraising receivable by the Company	£36,548,024
Estimated net proceeds of the Fundraising receivable by the Company(2)	£29,870,927
AIM ticker	DEVO
ISIN	USU0858L1036
SEDOL	BPBLXY1
LEI	213800PRI1918XI2H813
CUSIP	251785 101

* The number of Shares in issue and outstanding excludes the Treasury Shares held in treasury by the Company itself.

† Following the Pre-IPO Reorganisation, all Non-Voting Shares will be converted into Shares on a 1:1 basis and a 35 to 1 stock split shall be effected by way of a share dividend of 34 shares for every 1 share outstanding.

Notes:

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

(2) Net of all transaction costs in connection with Admission including (but not limited to) all commissions, adviser fees and expenses payable by the Company of approximately £6.7 million.

Expected Timetable

Publication of this document	29 October 2021
Admission and commencement of dealings in the Shares on AIM	8.00 a.m. on 4 November 2021
CREST accounts credited with Depositary Interests (where applicable)	8.00 a.m. on 4 November 2021

All times are London, UK times. Each of the times and dates in the above timetable is indicative only and is subject to change without further notice.

COMPANY OFFICERS, REGISTERED OFFICE AND ADVISERS

Directors	Harry August Miller IV *(Executive Chairman)* Douglas Graham Morin *(Chief Executive Officer)* Daniel Widdicombe *(Chief Financial Officer)* Kate Elizabeth Marsh *(Senior Independent Director)* Joanne (Jo) Goodson *(Independent Non-Executive Director)* Jeffrey Lyndon Ko *(Independent Non-Executive Director)* Janet Astall *(Independent Non-Executive Director)*
Company Secretary and General Counsel	Brian Paige Chadwick
Registered office	251 Little Falls Drive Wilmington, New Castle County Delaware 19808 United States of America
Registered agent	Corporation Service Company
Website	www.devolverdigital.com
Nominated Adviser and Sole Bookrunner	**Zeus Capital Limited** 82 King Street Manchester M2 4WQ United Kingdom and 10 Old Burlington Street London W1S 3AG United Kingdom
US Private Placement Agent	**Beech Hill Securities, Inc.** 880 3rd Avenue 16th Floor New York NY 10022 United States of America
Legal advisers to the Company (UK)	**Fieldfisher LLP** Riverbank House 2 Swan Lane London EC4R 3TT United Kingdom
Legal advisers to the Company (US)	**Baker & McKenzie LLP** 1900 North Pearl Street, Suite 1500 Dallas, Texas 75201 United States of America
Legal advisers to the Nominated Adviser and Sole Bookrunner and US Private Placement Agent (UK and US)	**Covington & Burling LLP** 22 Bishopsgate London EC2N 4BQ United Kingdom

Reporting Accountants	**Grant Thornton UK LLP** 30 Finsbury Square London EC2A 1AG United Kingdom
Auditors	**Grant Thornton LLP** 2431 E. 61st Street Suite 500 Tulsa, Oklahoma 74136 United States of America
Depositary	**Computershare Investor Services PLC** The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom
Registrars	**Computershare Investor Services (Jersey) Limited** 13 Castle Street St. Helier JE1 1ES Jersey Channel Islands
PR advisers to the Company	**FTI Consulting LLP** 200 Aldersgate Aldersgate Street London EC1A 4HD United Kingdom

DEFINITIONS

Adjusted EBITDA	a non-GAAP measure which is defined as earnings before interest, tax, depreciation, amortisation (excluding amortisation of capitalised software development costs) and share-based payment expenses
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
Affiliate	has the meaning given in Rule 405 under the US Securities Act
AIM	the AIM market of the London Stock Exchange
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange from time to time
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
Artificer	Artificer Games Sp. Z.o.o
Artificer Call Option Agreement	the agreement dated 20 March 2019 made between (i) Gambitious and (ii) Trousdale Games I, LLC, details of which are set out in paragraph 13.13 of Part VI of this document
Audit Committee	the audit committee of the Board, as constituted from time to time
Board	the board of directors of the Company
Bylaws	the amended and restated bylaws of the Company to be effective at Admission, a summary of which is set out in paragraph 7 of Part VI of this document
CAGR	compound annual growth rate, being the average annual growth rate of an investment or metric over a specified period of time longer than one year.
Certificate of Incorporation	the Company's certificate of incorporation, as amended and restated from time to time
Companies Act	the Companies Act 2006 (as amended)
Company or **Devolver** or **Devolver Digital**	Devolver Digital, Inc. and as the context shall so admit, means that entity and/or all or some of the members of its Group and/or any of their respective businesses from time to time
Concert Party	Harry Miller, Rick Stults, Graeme Struthers and Nigel Lowrie
Contingent Consideration Shares	the 14,472,990 Shares that shall be issued by the Company, subject to and conditional upon Admission, to (i) the Dodge Roll Sellers pursuant to the Dodge Roll SPA; (ii) the Firefly Sellers pursuant to the Firefly SPA; and (iii) the Nerial Sellers pursuant to the Nerial SPA
CREST	the computer-based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear UK & International in accordance with the CREST Regulations

CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended, including (i) any enactment or subordinate legislation which amends those regulations; and (ii) any applicable rules made under those regulations or such enactment or subordinate legislation for the time being in force
Croteam Group	(i) ABEST d.o.o.; (ii) DES INFORMATIKA 2010 d.o.o.; (iii) NEBO IZ SNA d.o.o.; (iv) NEBO MEDIA d.o.o; and (v) PLAVI SLON d.o.o.
Croteam Sellers	the former shareholders of the Croteam Group
Croteam SPA	the share sale and purchase agreement made between the Company and the Croteam Sellers dated 7 October 2020, pursuant to which the Company acquired the entire issued share capital of each member of the Croteam Group, further details of which are set out in paragraph 13.7 of Part VI of this document
Deed Poll	the deed poll dated 19 October 2021 entered into by the Depositary in favour of the holders of Depositary Interests
Deeds of Election	the deeds entered into by each Selling Shareholder, pursuant to which they have, *inter alia*, appointed the Company as its agent to enter into the Placing Agreement on their behalf
Depositary	Computershare Investor Services PLC
Depositary Interests	dematerialised depositary interests representing underlying Shares that can be settled electronically through and held in CREST, as issued in uncertificated form by the Depositary or its nominees (who hold the underlying securities on trust) in the ratio of one depositary interest for every one underlying Share
DGCL	General Corporation Law of the State of Delaware
Directors	the directors of the Company as at the date of this document, whose names appear on page 13 of this document
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules produced by the FCA and forming part of the handbook of the FCA, as amended
Distribution Compliance Period	the period during which the Shares are subject to the conditions listed under Section 903(b)(3) of Regulation S, being until at least the expiry of one year after the later of (i) the time when the Shares are first offered to persons other than distributors in reliance upon Regulation S and (ii) the date of closing of the Placing, or such longer period as may be required under applicable law or as determined by the Company
Dodge Roll	Dodge Roll, LLC
Dodge Roll SPA	the share sale and purchase agreement made between the Company and the Dodge Roll Sellers dated 2 July 2021, pursuant to which the Company acquired all of the membership units of Dodge Roll, further details of which are set out in paragraph 13.11 of Part VI of this document
Dodge Roll Sellers	the former shareholders of Dodge Roll
EBITDA	earnings before interest, tax, depreciation and amortisation (excluding amortisation of capitalised software development costs)

EEA	the European Economic Area
Enlarged Share Capital	the issued share capital of the Company immediately following Admission, comprising the Existing Shares, the Fundraising Shares, the Options Shares, the Options Sale Shares and the Contingent Consideration Shares
EU	European Union
Euroclear UK & International	Euroclear UK & International Limited, a company incorporated under the laws of England and Wales with registered number 2878738 and the operator of CREST
EUWA	the European Union (Withdrawal) Act 2018 as amended
Executive Directors	the executive Directors of the Company as at the date of this document, being Harry August Miller IV, Douglas Graham Morin and Daniel Widdicombe
Existing Founders	Harry Miller, Rick Stults, Graeme Struthers, Nigel Lowrie
Existing Sale Shares	the 94,905,020 Shares (being part of the Existing Shares) to be sold by the Selling Shareholders pursuant to the Placing
Existing Share Plan	Devolver Digital, Inc. 2017 Equity Incentive Plan approved by its stockholders on 3 November 2017
Existing Shares or **Existing Share Capital**	the 11,422,654 Shares in issue and outstanding as at the date of this document (which includes the Non-Voting Shares but does not include the Treasury Shares)
FCA or **Financial Conduct Authority**	the Financial Conduct Authority of the United Kingdom
Firefly Group	Firefly Holdings Limited, Firefly Studios Inc. and Firefly Studios Limited
Firefly Sellers	the former shareholders of Firefly Holdings Limited
Firefly SPA	the share sale and purchase agreement made between the Company and the Firefly Sellers dated 24 June 2021, pursuant to which the Company acquired the entire issued share capital of Firefly Holdings Limited (and its shareholdings in the Firefly Group), further details of which are set out in paragraph 13.12 of Part VI of this document
Founders	the Existing Founders and Mike Wilson
FSMA	the Financial Services and Markets Act 2000, as amended
Fundraising	the Placing of the New Placing Shares and the Subscription for the Subscription Shares, the proceeds of which are receivable by the Company
Fundraising Shares	the 23,278,996 new Shares to be issued by the Company, comprising the New Placing Shares and the Subscription Shares
Gambitious or **Good Shepherd**	Gambitious B.V., which trades as Good Shepherd
Gambitious Group	Artificer, Gambitious, GS Capital B.V., GSE USA, LLC.
Gambitious Sellers	the former shareholders of Gambitious

Gambitious SPA	the share sale and purchase agreement made between the Company and the Gambitious Sellers dated 7 January 2021, pursuant to which the Company acquired the entire issued share capital of the Gambitious Group, further details of which are set out in paragraph 13.9 of Part VI of this document
Group	the Company and its subsidiaries and subsidiary undertakings as at the date of this document
Historical Financial Information	the consolidated financial information of the Group for the three years ended 31 December 2020, and the six months ended 30 June 2021, as set out in Section B of Part IV of this document
HMRC	HM Revenue and Customs
IFRS	International Financial Reporting Standards as adopted by the United Kingdom
Lock-In and Orderly Market Deeds	the lock-in and orderly-market deeds entered into by the Locked-In Persons, the Company and the Sole Bookrunner details of which are set out in paragraph 13 of Part I of this document
Locked-In Persons	those persons, as set out in paragraph 13 of Part I of this document
London Stock Exchange	London Stock Exchange plc
Member State	a member state of the EEA
MiFID II	EU Directive 2014/65/EU on markets in financial instruments
Nerial	Nerial Limited
Nerial Sellers	the former shareholders of Nerial
Nerial SPA	the share sale and purchase agreement made between the Company and the Nerial Sellers dated 29 April 2021 (and as amended on 19 July 2021), pursuant to which the Company acquired the entire issued share capital of Nerial, further details of which are set out in paragraph 13.10 of Part VI of this document
NetEase Entities	NetEase (Hong Kong) Limited and NetEase Interactive Entertainment Pte. Ltd.
New Placing Shares	the 21,288,428 new Shares to be issued by the Company pursuant to the Placing
Nominated Adviser and Broker Agreement	the agreement entered into on or about the date of this document between the Company, the Directors and Zeus Capital pursuant to which the Company has appointed Zeus Capital to act as nominated adviser and broker to the Company, summary details of which are set out in paragraph 13.4 of Part VI of this document
Nomination Committee	the nomination committee of the Board, as constituted from time to time
Non-Executive Directors	the non-executive directors of the Company as at the date of this document, being Karen (Kate) Elizabeth Marsh, Joanne (Jo) Goodson, Jeffrey Lyndon Ko and Janet Astall
Non-Voting Shares	the non-voting common stock of USD 0.0001 par value, which will be reclassified into Shares on a 1:1 for basis immediately prior to Admission as part of the Pre-IPO Reorganisation

Normalised	adjustments made, to the extent applicable and where the context requires, in order to normalise the presentation of financial information of the Group arising from (a) the removal of the financial impact of the outperformance of *Fall Guys* compared to the pre-release internal budgets of the Group (b) the removal of the proceeds of the sale of the publishing rights and (c) the adding back of Founder bonuses
Official List	the official list of the FCA
Options	options to purchase Shares granted under the Existing Share Plan details of which are included in paragraph 6 of Part VI of this document
Options Sale Shares	the 3,387,720 Shares which do not form part of the Existing Share Capital and which shall be issued pursuant to the exercise of Options and sold by the Options Selling Shareholders pursuant to the Placing
Options Selling Shareholders	those persons who have exercised Options in order to sell the resulting Options Sale Shares in the Placing
Options Shares	the 1,324,120 Shares which do not form part of the Existing Share Capital and which shall be issued pursuant to the exercise of Options and not sold pursuant to the Placing
Order	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
Panel	the Panel on Takeovers and Mergers
Placees	the subscribers for New Placing Shares and purchasers of Sale Shares pursuant to the Placing
Placing	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
Placing Agreement	the conditional agreement entered into on or about the date of this document between the Company, the Directors, the Selling Shareholders, the Sole Bookrunner and the US Private Placement Agent, in relation to the Placing and Admission, summary details of which are set out in paragraph 13.1 of Part VI of this document
Placing Price	157 pence per Placing Share
Placing Shares	the New Placing Shares and the Sale Shares
Pre-IPO Reorganisation	the reorganisation of the Company to take effect immediately prior to Admission, involving, among other things, (i) the conversion of outstanding Non-Voting Shares into Shares on a 1:1 basis; (ii) the 35 to 1 stock split effected as a share dividend of 34 shares for every 1 share outstanding; and (iii) certain amendments to the Certificate of Incorporation and Bylaws, details of which are set out in paragraph 4.4 of Part VI of this document
Prospectus Regulation	Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under Part VI of the FSMA, as amended

QCA	the Quoted Companies Alliance
QCA Code	the Corporate Governance Code 2018 published by the QCA
Qualified Institutional Buyers or **QIBs**	has the meaning given by Rule 144A under the Securities Act
Registrars	the Company's registrars, being Computershare Investor Services (Jersey) Limited
Regulation S	Regulation S, promulgated under the US Securities Act
Remuneration Committee	the remuneration committee of the Board, as constituted from time to time
RIS	Regulatory Information Service
Rule 144	Rule 144, promulgated under the US Securities Act
Sale Shares	the Existing Sale Shares and Options Sale Shares
SEC	the US Securities and Exchange Commission
Selling Shareholders	those persons who are selling Sale Shares in the Placing, details of whom are set out in paragraph 22 of Part VI of this document
Shareholder	a holder of Shares or, as applicable, a holder of Depositary Interests
Shares	shares of the Company's common stock, par value $0.0001 each in the capital of the Company, and, where the context requires, any Depositary Interests representing any shares of such common stock from time to time
Sole Bookrunner	Zeus Capital
Subscribers	persons who are subscribing for the Subscription Shares, being certain friends and family of the Board and certain persons who were investors in Good Shepherd
Subscription	the subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
Subscription Agreements	the conditional agreements dated on or around 29 October 2021, relating to the Subscription, further details of which are set out in paragraph 13.3 of Part VI of this document
Subscription Shares	the, in aggregate, 1,990,568 new Shares to be issued by the Company pursuant to the Subscription
Takeover Code	the UK City Code on Takeovers and Mergers published by the Panel
Treasury Shares	the 1,064,120 Shares in issue but not outstanding as at the date of this document which are held by the Company itself in treasury
UK or **United Kingdom**	the United Kingdom of Great Britain and Northern Ireland
UK MAR	the UK version of the EU Market Abuse Regulation (596/2014) as it forms part of the retained EU law as defined in the EUWA
UK Prospectus Regulation	Regulation (EU) 2017/1129 as it forms part of the retained EU law as defined in the EUWA

uncertificated or **uncertificated form**	recorded on the relevant register of the share or security as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US or **United States**	means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
US Exchange Act	the United States Securities Exchange Act of 1934, as amended
US Persons	has the meaning given in Regulation S
US Private Placement Agent	Beech Hill Securities, Inc., institutional private placement agent to the Company in the United States of America
US Securities Act	the United States Securities Act of 1933, as amended
VAT	value added tax
Zeus Capital	Zeus Capital Limited, nominated adviser and Sole Bookrunner to the Company
£ and **p**	United Kingdom pounds sterling and pence respectively
€ or **Euro**	the single currency for the European Union
$ and **¢**	United States dollars and cents respectively

GLOSSARY

AAA games	informal classification of video games developed, produced and/or distributed by major international video games publishers, created with a large budget
back catalogue	titles released by Devolver Digital in periods prior to the current financial year
cloud gaming	a type of game or platform which runs games on a remote server and streams the game directly to the user's device
digital distribution	electronic distribution and sale of video games and related content
DLCs	downloadable content, being digitally distributed additional content for already released video games. It can be downloaded for no additional cost or it may be a form of video game monetisation
first-party IP	IP that is owned and developed by Devolver Digital
franchise	a collection of related games in which several derivative works have been produced following an original game
games-as-a-service or **GaaS**	a business model whereby games receive significant developer post release support, including multiplayer hosting, community management, post-release patching, game fixes, downloadable content and expansions
indie	an informal classification typically given to games developed by smaller development teams. The indie game style is considered to be accessible to a wider audience due to its lower price-point and simpler gameplay compared to AAA-rated games
IP	intellectual property
own-IP	includes first-and second-party IP
physical distribution	physical distribution and sale of video games and related content
pipeline	future titles in the Company's pipeline as at the date of this document
premium game	games which are not free to play
return on investment	a financial metric based on an investment's lifetime total revenues as a percentage of its total costs (comprising development costs, royalties and other publishing costs such as porting, localisation, quality assurance and engine licensing)
second-party IP	IP that is owned, but not developed in-house by Devolver Digital
Stadia or **Google Stadia**	a cloud gaming service developed and operated by Google
staff	both employees and independent contractors together
Steam	a video game digital distribution service
team members	both full-time and part-time employees and independent contractors

third-party IP	IP that is not owned or developed by Devolver Digital. The Company typically enters into a commercial contract to publish third-party IP on behalf of developers
Twitch	an interactive livestreaming service, with a focus on video game streaming

INVESTMENT HIGHLIGHTS

The following information is derived from, and should be read in conjunction with, the whole of this document including, in particular, the section headed Risk Factors in Part III of this document. Shareholders should read the whole of this document and not rely only on this Investment Highlights section.

Commencing trading in 2009, Devolver is an award-winning video games publisher in the indie games space, primarily focused on third-party IP. With an emphasis on premium games, Devolver has a back catalogue of approximately 90 titles. Through recent acquisitions, Devolver now has own-IP franchises, in-house studios developing first party IP and a complementary publishing brand.

Key strengths and advantages:

The Directors believe that Devolver has a number of key strengths and advantages that are important to the success of the business:

Leading global publisher of indie games

- **Leader**: highest rated indie publisher of scale by Metacritic rating, current average of 75 (2013-2021)[1]
- **Developer focused**: deep relationships with developers gives visibility of release pipeline
- **Award-winning**: Publisher of the Year in 2021 (*GamesIndustry.biz Indie Publishing Awards*)
- **Virtual**: digital-first brand with approximately 200 team members globally in Europe, North America and Asia

Proven, scalable, differentiated model

- **Proven**: built over a decade by highly experienced industry veterans with deep gaming relationships
- **Scalable**: approximately 90 titles released, pipeline of 30+ titles; long-term distributor and platform relationships
- **Differentiated**: Devolver's know-how and relationships help developers gain scale and visibility
- **Mega hit capabilities**: *Fall Guys*, released in August 2020, was a record-breaking title before the sale of the publishing rights, enabling investment into future launches and acquisitions

Clear strategy for international, long-term growth

- **Execute and build pipeline**: release 12-15 unique titles per year; the Group's most invested pipeline ever
- **Mine the back catalogue**: approximately 90 titles as at 30 June 2021
- **Improve our craft**: ongoing improvement in gameplay mechanics, marketing, multi-platform launches and localisation
- **Selective studio and IP acquisition**: broadening Devolver's offering and delivering financial benefits

Proven and attractive financial track record

- **Diversified**: revenues by title, platform, developer and geography
- **Consistent revenue growth**: 30.3 per cent. Normalised revenue CAGR 2016-2020
- **Acquisition track record**: five acquisitions since 2020 to support long-term growth strategy
- **Multi-year success**: titles generate material revenues for years after initial launch

Long-term structural growth drivers in video gaming

- **Established form of entertainment**: global gamers forecast to grow to 3.3 billion (2024) from 2 billion (2015)
- **Large, growing video gaming market**: estimated to rise to $218.7 billion (2024) from $177.8 billion (2020)
- **Platforms need new games**: launch of subscription and streaming platforms has accelerated demand for high concept indie games

[1] based upon the Company's own selection of competitors, which could reasonably be considered publishers of scale (i.e. only those who have at least 50 title reviews listed on Metacritic in total)

PART I

INFORMATION ON THE GROUP

1. Introduction

Devolver is an award-winning digital video games publisher and developer in the indie games space. Recently awarded 'Publisher of the Year 2021' by GamesIndustry.biz, Devolver has one of the most recognisable labels in the indie market. Built over a decade by highly experienced industry veterans with deep, wide-ranging relationships in the gaming sector, Devolver has a back catalogue of approximately 90 games, including a number of indie cult classics.

Devolver's proven model curates and publishes high-quality premium games. Devolver leverages its renowned brand to help enhance the discoverability of partner studios and their games. Devolver boosts visibility of titles through its established global network of partners and platforms and by targeting gamers through original and focused marketing.

Founded by current members of the senior management team Harry Miller (Executive Chairman), Rick Stults (Finance and HR Manager), Graeme Struthers (Head of Publishing) and Nigel Lowrie (Head of Marketing), together with Mike Wilson, Devolver has positioned itself as the "developers' publisher". Devolver helps developers to scale through its know-how in critical areas, such as operations and cost management; game production; and development and digital distribution strategy.

Devolver is the highest-rated indie publisher of scale on Metacritic and over 90 per cent. of its titles have been profitable[1]. Many titles continue to generate revenue years after launch. The success of Devolver's model is reflected in attractive financial characteristics, including consistent revenue and EBITDA growth.

In the year to 31 December 2020, Devolver generated $212.7 million of revenue, and $80.6 million of Adjusted EBITDA. In the period ending 31 December 2020, Normalised revenue and Normalised Adjusted EBITDA was $71.1 million and $15.8 million respectively, with a Normalised Adjusted EBITDA margin of 22.2 per cent. Devolver successfully delivered CAGR of 29.4 per cent. in Normalised annual revenues and 65.2 per cent. in Normalised Adjusted EBITDA between 31 December 2018 and 31 December 2020. In the six months ended 30 June 2021 Devolver generated $46.4 million of Normalised revenue, and $12.6 million of Normalised Adjusted EBITDA compared to $23.9 million of Normalised revenue, and $3.6 million of Normalised Adjusted EBITDA in the six months ended 30 June 2020.

Devolver has begun to selectively acquire studios and IP that enhance its pipeline and support its long-term international growth strategy. Since the beginning of 2020, Devolver has acquired five of its long-term partner development studios and a second publishing brand. As a digital-first brand, the majority of Devolver's staff work remotely and have done so since founding. Currently the Group has approximately 200 team members spread across the globe in Europe, North America and Asia. The Group has subsidiaries in the United Kingdom, the Netherlands, Croatia, Poland and the United States.

The Group is seeking admission to AIM to; build on its scalable platform for international, long-term growth; increase its profile and brand-awareness globally; create an immediate and ongoing source of capital; and create a currency of its own shares, which can be used for organic growth and inorganic expansion through acquisitions.

2. History and background

Devolver's Founders have a long track record of innovating together in the video games industry. In 1998 Harry Miller, Rick Stults and Mike Wilson co-founded the video games publishing brand Gathering of Developers, also known as G.O.D. Games. Established with a vision of enabling development teams to be credited appropriately and financially rewarded for their games. G.O.D. Games was acquired by Take-Two Interactive in 2000.

[1] In the period from 2017 to 2020

Harry, Rick and Mike reunited in 2007 to found video games publisher Gamecock Media Group ("**Gamecock**"). Devolver co-founders Graeme Struthers and Nigel Lowrie later joined Gamecock, working on their first venture with Harry, Rick and Mike. In 2008, Gamecock was sold to SouthPeak Games.

Devolver was formed as a digital-only developer-first publisher, which principally released titles on PC via Steam. The Group initially published a number of titles in the *Serious Sam* series, a franchise whose first games had been co-published by G.O.D. Games. Working with original developer Croteam and other small studios, Devolver successfully published several *Serious Sam* titles for release on PC and mobile.

Following this early financial success, the Group branched out and began collaborating on new franchises and titles with other development studios. Devolver's first breakout hit was *Hotline Miami* in 2012. It received critical acclaim putting Devolver in the indie spotlight. This was followed up by a sequel, *Hotline Miami 2*, which was published in 2015.

In 2013, Devolver released *Shadow Warrior*, a reboot of a title released in 1997 originally developed by 3D Realms, a partner studio in G.O.D. Games. Devolver licensed the IP for the franchise alongside Polish video game developer Flying Wild Hog, with the aim of creating a newly imagined title and revitalising the series. The success of the reboot led to Devolver partially acquiring the Shadow Warrior IP rights and a sequel was released in 2016. Devolver acquired the IP outright in 2018. The third title in the rebooted series is scheduled for an upcoming release, adding to what has proven to be a lucrative franchise for Devolver.

The Group has expanded its presence beyond PC games through new releases and porting titles to other platforms. It has subsequently built strong relationships with console and mobile digital distributors. In 2016, Devolver released *Enter the Gungeon*, a fast-paced dungeon crawler and shooter, on PC and PlayStation. The title was ported to Xbox a year later, and then to Switch at the end of 2017. The title was a success for Devolver and US-based developer Dodge Roll (acquired by Devolver in July 2021), generating over $25 million of revenue. The title was released on Stadia in 2020, over four years after first being published.

Devolver has continued to build a broad portfolio of premium indie games, with a back catalogue of approximately 90 titles. Most recently, Devolver experienced runaway success with the exceptional outperformance of *Fall Guys*, which was released in August 2020. Developed by British studio Mediatonic, the game was an instant hit, quickly becoming the most downloaded PlayStation Plus title in history. The game generated $150.5 million revenue in the year to 31 December 2020 alone. Mediatonic was acquired by Epic Games in March 2021, at which point the Group sold the publishing rights to Epic Games. Devolver has retained the merchandising rights for *Fall Guys* for six years.

The success and publishing rights sale of *Fall Guys* provided Devolver with the capital to accelerate its long term growth strategy, with targeted M&A acquisitions and investment in 2021 and 2022. Acquisitions made to-date include Devolver's long-term partner studios Croteam, Dodge Roll and Nerial, as well as another developer, Firefly, and complementary publisher Good Shepherd. Further information relating to the acquisitions can be found in paragraph 4.8 of this Part I.

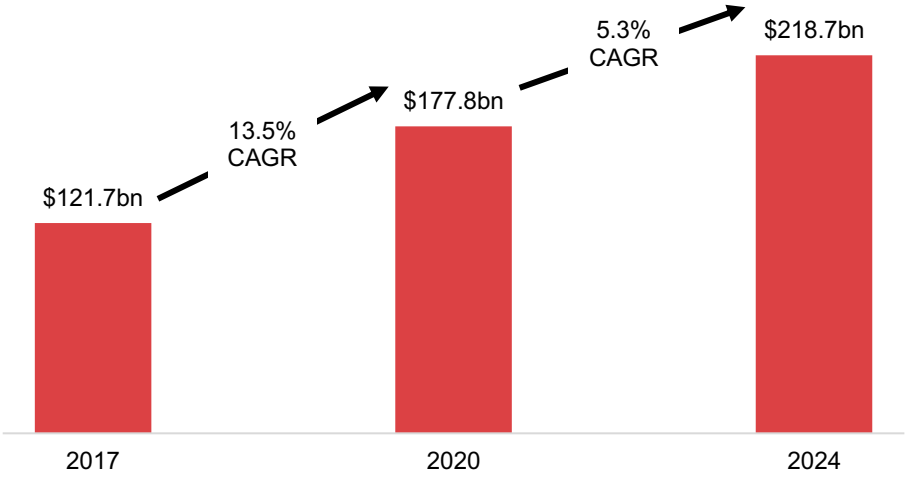
Mike Wilson ceased active involvement with the Group in 2017, and Devolver's CEO Douglas Morin, CFO Daniel Widdicombe and General Counsel Brian Chadwick have joined the Group, preparing Devolver for the next stage of its evolution and entry to the public markets.

3. Video games market

3.1 *Market Overview*

In 2020 the global video games market was valued at $177.8 billion, having grown at a CAGR of 13.5 per cent. from 2017. Growth in 2020 was accelerated by the global pandemic, which restricted consumers to their homes, resulting in a year-on-year increase in total market value of 23.1 per cent. Continued market growth is expected over the next four years to 2024, with a forecast CAGR of 5.3 per cent. from 2020 to 2024. Amongst other drivers, the market growth is underpinned by a rapid increase in gamer numbers, which is expected to increase by 1.3 billion from 2015 to a total of 3.3 billion gamers globally in 2024.

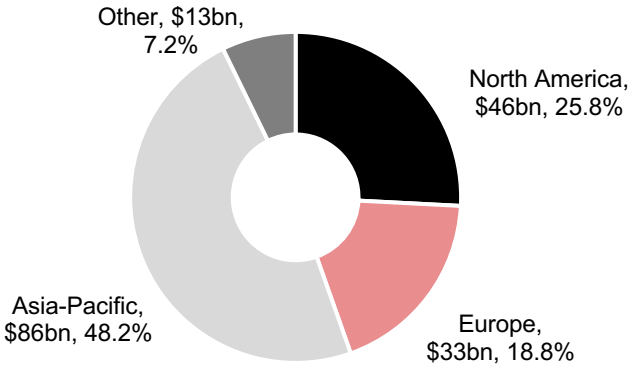
Video Games Market Forecast[1]



Video gaming is a truly global pastime. In 2020, the United States, Europe and Asia-Pacific represented 25.8 per cent., 18.8 per cent. and 48.2 per cent. of the total video games market respectively[2]. Devolver has direct exposure to all these regions and has a well-executed strategy in Asia. The Group aims to continue to grow in the region through an established distribution and media partner network overseen by locally based Devolver team members.

2020 Video Games Market by Geography[1]

Market size & percentage contribution by region



3.2 *Key Market Themes*

Digital distribution has facilitated the video games market's high growth rates. In 2016, console and PC digital distribution penetration was 29 per cent. and 76 per cent. respectively, increasing to 43 per cent. and 91 per cent. in 2020. Both are forecast to continue growing, with digital distribution on console set to overtake physical distribution by 2023.

The Founders identified this key trend in the market, and purposefully established Devolver as a digital-first publisher. Having embraced digital distribution from the outset, Devolver is well-positioned to continue to win digital market share.

Demand for quality content has surged in recent years. In 2010, PC gaming and the three main console makers, PlayStation, Xbox and Nintendo each competed for consumers' time and loyalty. Through the addition of the cloud gaming operators such as Google Stadia, the growth of Steam and the addition of new stores and subscription services such as Xbox Game Pass and Apple Arcade,

[2] NewZoo Global Games Market Report

the demand for quality games which draw consumers to specific platforms is at an all-time high. This benefits Devolver in two distinct ways:

1. platforms and stores will provide advanced payments for exclusivity over a new title for a fixed period post-release. The advanced payments can offset some or all of the cost of development and publishing, substantially de-risking Devolver's model; and
2. subscription services will pay publishers for bundles of back catalogue games to use on their platform, providing Devolver with another lever to monetise its back catalogue.

Devolver's strong brand in the indie space means that the Group attracts high-quality game ideas from developers. This contributes to the Group's track record for publishing high-quality titles that consistently score well with critics and gamers, fuelling a virtuous circle that drives increased demand for games published by Devolver.

Developers need help to be discovered as title release volume is increasing, driven by the lower barriers of entry to development which digital distribution provides. The number of titles released on Steam annually has grown from 285 in 2009 to 9,692 in 2020[3]. The growing number of developers releasing titles across a broader set of platforms makes it increasingly difficult for studios to differentiate their games to distributors and gamers.

Working with Devolver brings key advantages to developers that help to enhance the discoverability of their titles. Devolver has a well-established and recognisable label in the indie market and has decade-long relationships with digital distributors. Devolver can use its marketing expertise and platform contacts to drive exposure for indie developers that they may otherwise struggle to achieve.

Influencers and social media continue to impact the video games sector, with the largest streamers drawing the eyes of over 400 million viewers every month. Devolver has one of the largest social media followings in the indie gaming space, with over 750,000 social media followers across Western and Asia-focused platforms. Devolver works with a spectrum of streamers and influencers to extend the reach of their titles.

4. Business description

4.1 *Business overview*

Beginning in 2009, Devolver has partnered with over 60 developers to publish over 90 indie games, primarily through third-party publishing agreements. More recently, the Group has acquired standalone IP and long-term development partners, which has brought franchises in-house.

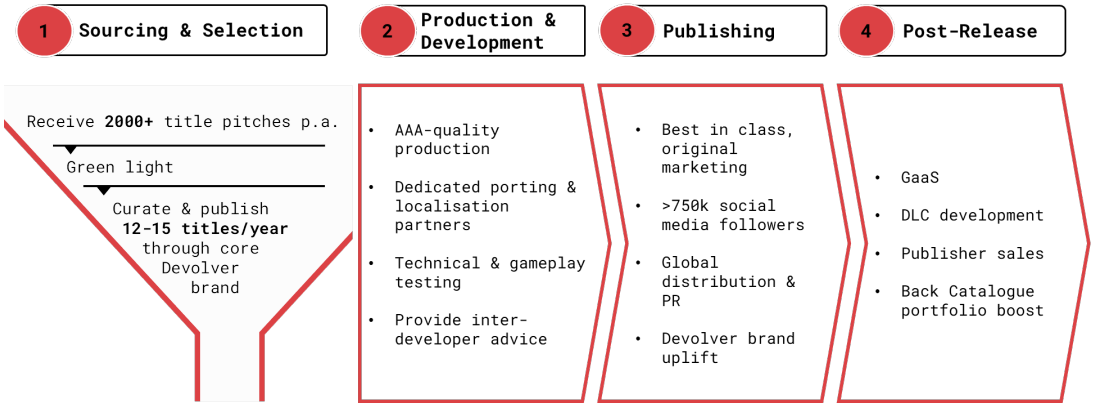
Third-party partnerships have been essential to Devolver's success to-date, and still form the majority of Devolver's published titles. However, over the last twelve months Devolver has also acquired eight franchises, increasing the Company's first-party IP. Management consider that there are advantages to having a balanced business model, allowing the Group to work with the newest and most innovative indie developers as their publisher, as well as owning and developing its own stable of games.

Titles are generally either fully or partially funded by Devolver. In limited cases, funding is not provided for development if the studio does not require it. Funding is structured in varying amounts through developer advances pursuant to a milestone plan. Generally, once costs are recouped, future revenue is apportioned between Devolver and the developer based on equitable sharing agreements.

Devolver's range of services include project and lifecycle management; development and production assistance; publishing; and technical and creative support. Devolver generates pre-release interest through tailored marketing programmes, PR, promotions, and leveraging digital distributor platform relationships. The Group's broad offering continues to attract both established and early-stage developers. Of the 29 development partners working on pipeline titles, 9 are repeat partners. The process from identification to post-release management can been seen in the diagram below.

[3] Source: SteamSpy.

Game selection and lifecycle overview[4]



Title selection & onboarding

Devolver effectively operates a venture capital model, receiving and vetting over 2,000 unsolicited title pitches per year at varying stages of progress, from initial concept to fully-formed games. Devolver does not require developers to hand over the IP or sequel rights to their games, which the Directors believe is attractive to creators.

Devolver's approach is successful – over 90 per cent. of titles[5] published since inception have generated a positive return on investment. The average payback time on a title is four months.

Devolver's greenlight process filters inbound proposals down to 12 to 15 titles for release annually. The Group assesses options across a wide variety of genres, styles, formats and geographies. Devolver's idea meritocracy culture is key to this discovery process, with anyone in the team able to put forward a game for review.

Promising ideas will receive input from members of the team from across the Group, including production, marketing, technology, finance and more. Devolver looks for titles that are creative, exciting, high quality, innovative and responsible.

Devolver's core greenlight team is made up of industry veterans with many decades of cumulative experience, who can recognise high-potential games and development teams. Following input from all areas of the business, the greenlight committee must unanimously agree to sign a title, taking into consideration Devolver's current capabilities and games roster.

Devolver assists in the game lifecycle in a number of ways:

(a) **Quality assurance:**

- The Group has an experienced production team, including a dedicated technical team, and trusted relationships with quality contractors that help provide services for which there is no direct in-house capability.
- Devolver's services free up partner studios' resource to focus on development and removes the administrative burden of the development process.
- Through data, experience and relationships, the team assesses what game formats, features and mechanisms are popular or unpopular with consumers and specific distribution platforms bringing the principles and practices of much larger organisations to small developers without infringing on creativeness.

[4] Source: Devolver management information and analysis; Devolver social media accounts.
[5] in the period from 2017 to 2020

(b) **Publishing and release execution:**

- Devolver's brand provides a lift for developers, bringing value in terms of discoverability and title promotion, for example its content and games have been frequently featured by media outlets including IGN, the most visited video gaming media site globally.
- With over 200 million hours viewed, Devolver is one of the most watched indie labels on Twitch, which has been a long-term partner for the Group. The Group has one of the biggest social media reaches in the indie gaming space, with over 750,000 followers on social media, and utilises partnerships with influencers to generate pre-and post-release interest.
- Tailored campaigns managed by Devolver's highly experienced PR and marketing teams use these and other relationships to drive pre-release momentum.
- The strength of Devolver's relationships with global digital platforms ensures that titles will be prominent and visible on their storefronts.

(c) **Post-release support:**

- Post-release support includes exploring ways to attract new customers and accelerate sales. Support services include technical assistance, such as server administration, further porting and localisation management and continued marketing.
- Porting titles to new platforms and releasing in additional languages expands the customer base and generates incremental revenue.
- Relationships with distribution platforms enable Devolver to promote portfolio titles effectively through bundle agreements and publisher sales.
- The Group takes advantage of its back catalogue titles to generate large one-off fees through agreements with subscription services such as Game Pass or PlayStation Plus, and deals with new entrants such as Amazon Luna.

4.2 ***Pipeline***

Devolver's principal operations rely upon generating a strong pipeline of titles year-on-year. Currently, the core Devolver business has a pipeline of over 30 games scheduled for release over the next two years and beyond. As a result, the Group has full title visibility until the third quarter of 2023.

Devolver's brand pull and genuine connections with developers ensures that title acquisition cost is low. Alongside the significant number of new inbound propositions, the Group can rely upon its stable of trusted partners to provide innovative title concepts. Approximately 42 per cent. of pipeline tiles will come from repeat developer relationships. In the immediate pipeline (games scheduled for release in 2021 and 2022), Devolver has an approximate combined development budget of $35.0 million for planned pipeline titles in the remainder of 2021 and 2022, of which management estimates approximately 67.0 per cent. will have been invested at the time of Admission.

Recent acquisitions have increased the number of own-IP titles in the pipeline. Devolver currently holds the rights to nine own-IP franchises, up from one in 2019. The addition of Good Shepherd, which is a complementary publishing brand, will increase the number of titles published by the Group each year.

Devolver has used a portion of the consideration from *Fall Guys* to invest in the future pipeline, increasing the overall budgets for development, marketing and PR for selected titles. Further information can be found in paragraph 5(d) below of this Part I.

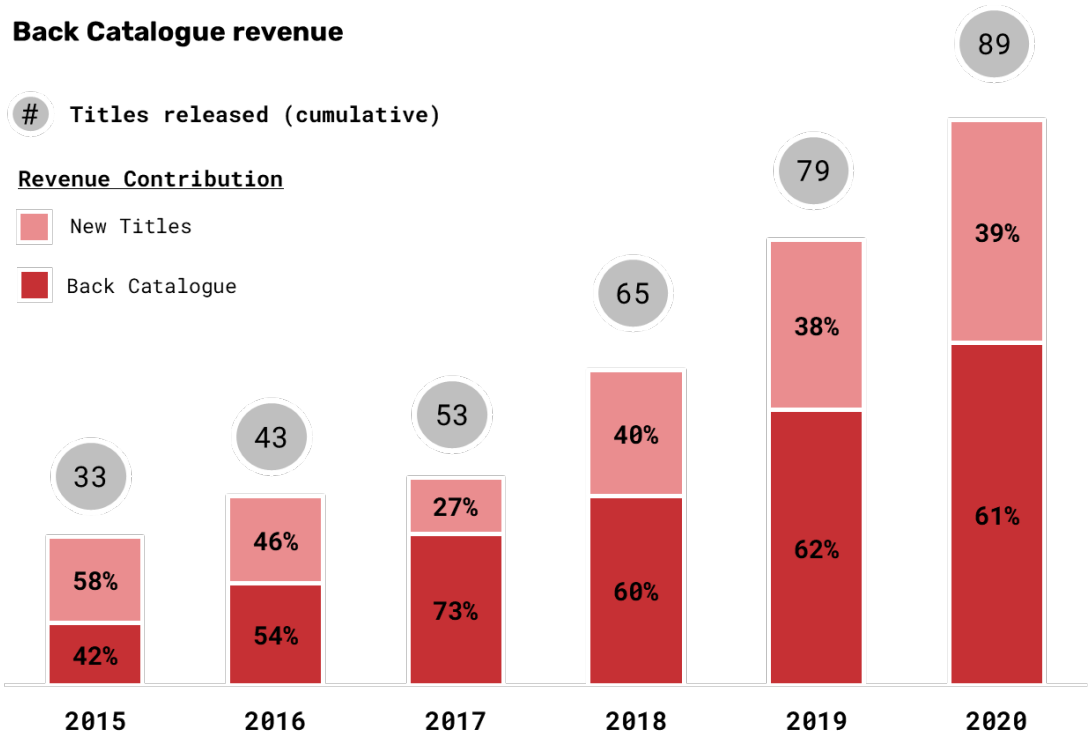
4.3 ***Back Catalogue***

Devolver's back catalogue includes all titles released during or before the last financial year. As of 30 June 2021, Devolver's back catalogue consists of approximately 90[6] titles. From 2018 to 2020

[6] As of 30 June 2021, adjusted for the sale of *Fall Guys* and *Scum* publishing rights.

Devolver has achieved an average Normalised back catalogue revenue contribution of 60.8 per cent., providing a strong and stable contribution to sales. This has increased from 41.8 per cent. in 2015.

Back catalogue revenue[7]

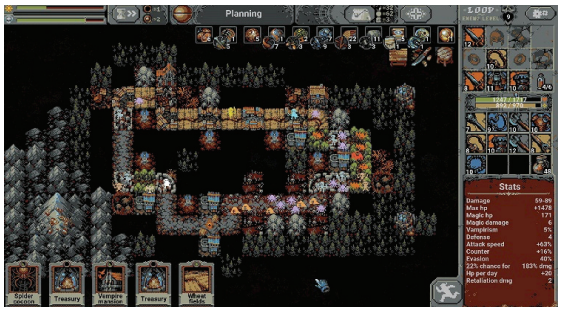


*Note that the above includes Fall Guys and Scum titles although the publishing rights for both were sold in H1 FY21

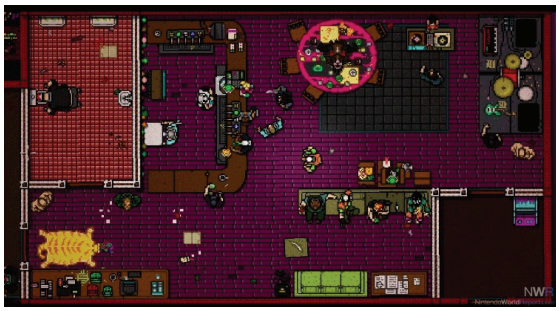
Devolver has concentrated on the playability, mechanics, uniqueness and stickiness of its titles. Accordingly, Devolver has a strong back catalogue of long-lifecycle games.

Many of Devolver's best performing titles have been developed with a focus on the gameplay experience and are not designed to a high visual fidelity, in contrast to big budget AAA titles. Successful games such as *Hotline Miami* and *Loop Hero* have 'retro' styles that provide an evergreen quality. Other titles, such as *Death's Door* from two person-developer Acid Nerve, have been critically acclaimed for their visually appealing style. Other popular Devolver titles, such as those in the *Shadow Warrior* franchise, have bigger budgets and a greater focus on graphical and theatrical values.

[7] Source: Devolver management information; 2020 includes budgeted Fall Guys revenue; chart also includes an additional title for which the publishing rights have been sold as of 30 June 2021; game level financials are on a cash basis; 2015 to 2017 unaudited.



Loop Hero



Hotline Miami 2

Death's Door

Shadow Warrior 3

Devolver's culture, brand, and innovative marketing and promotion campaigns have helped games establish loyal followings and cult status in the indie space. *Enter the Gungeon* generated its highest year of sales in the third year of release, and sequels have typically served to increase sales of the prequel, rather than cannibalise them.

Of the top 10 titles by revenue for the year ended 31 December 2020 (including only budgeted sales for *Fall Guys*), five were back catalogue releases, with those titles generating 21.0 per cent. of total revenue. Management are confident that the back catalogue will continue to be a strong supporting factor for revenues, with many new avenues for further monetising the back catalogue being explored. Further information on how the Group will generate value from the back catalogue can be found in paragraph 5 of this Part I below.

4.4 *Diversity of revenue*

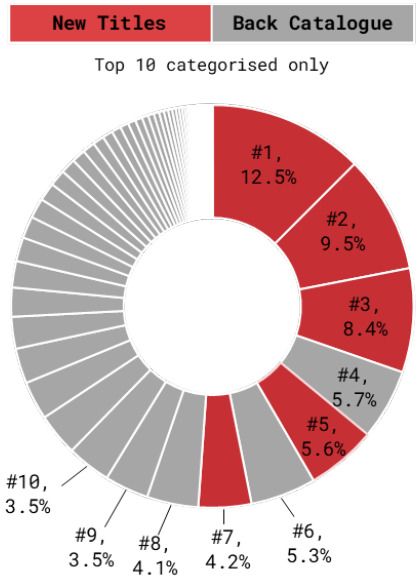
4.41 Titles

Devolver's wide variety of title releases means the Group is not reliant upon the performance of any single title or franchise. Title diversification allows Devolver to benefit from the significant upside of a breakout hit, but also lowers the risk profile of the Group.

A prudent approach to planning, budgeting and appropriately investing in individual titles has ensured that Devolver continues to generate profits from a wide mix of games.

In the twelve-month period ended 31 December 2020, Normalised sales from the top 5 performing titles contributed approximately 41.3 per cent. to total revenue, with the remaining titles in the portfolio contributing approximately 58.7 per cent.

Normalised Revenue diversification by title[8]

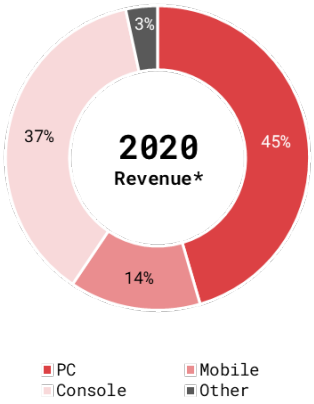


4.4.2 Platform

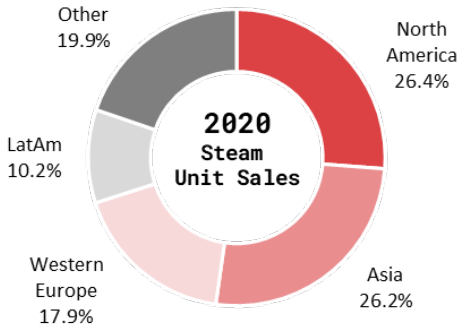
Devolver's Normalised revenues are varied across platforms, with 45.5 per cent. of revenue from PC, 37.2 per cent. from console, 14.0 per cent. from mobile and 3.3 per cent. other in the twelve-month period ended 31 December 2020. In contrast, the year ended 31 December 2018 saw 65.4 per cent. of revenues from PC, 29.1 per cent. from console and 5.4 per cent. from mobile. The Group has continued to diversify revenues and reduce reliance on one medium. Devolver is continuing to capitalise on the growth in the mobile segment, with a growing mobile title offering.

Devolver has strong relationships with digital distribution partners across all platforms, including Steam, Nintendo, PlayStation, Xbox, Apple Arcade, Stadia, BiliBili, NetEase and Tencent, further details of which can be found in paragraph 4.5.2 of this Part I.

Revenue diversification by platform[9]



Geographical diversification by unit sales[10]



4.4.3 Genre

Devolver's selection process has no bias towards any one individual genre and the Group has released titles in a variety of genres including role playing games ("**RPGs**"), top-down shooter, beat em' up, action adventure, point and click, first person shooter ("**FPS**") and more. Diversification ensures Devolver's games appeal to a broad fan base.

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[8] Source: management information; game level data on a cash basis.
[9] Source: Devolver management information; game level data on a cash basis.
[10] Source: Steam.

Devolver's titles encompass a number of artistic styles, varying in visual fidelity, environment and storyline. This range allows Devolver's titles to reach a wide audience, limiting exposure to trends in one genre and expanding the brand following and fan base.

4.4.4 Geography

Devolver's revenues are not concentrated in a single geographical area, limiting exposure to any one market. In 2020, Steam unit sales from North America and Latin America were 26.4 per cent. and 10.2 per cent. respectively, and Western Europe comprised 17.9 per cent. of units sold. Devolver is currently experiencing strong growth in the Asia Pacific region.

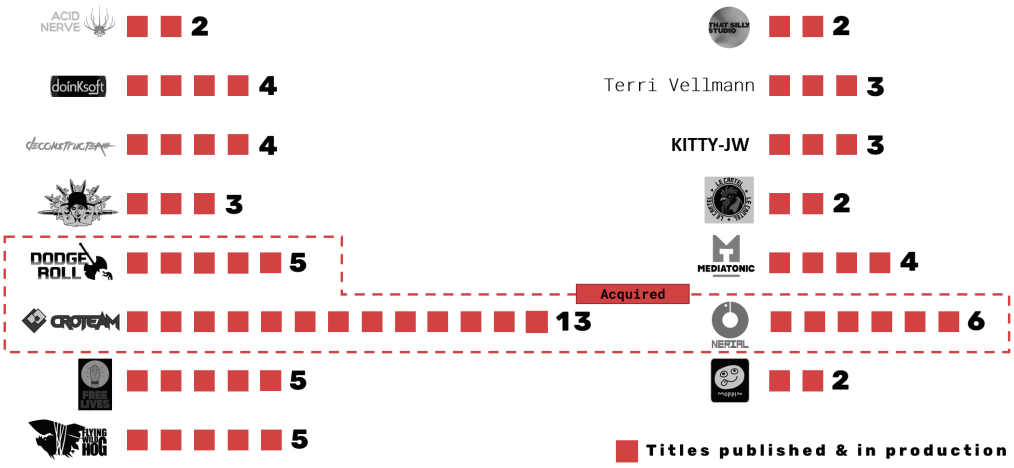
Asia Pacific is now Devolver's second largest market by Steam unit sales, at 26.2 per cent. of units sold. Growth to-date has been driven by demand in the region, rather than any targeted campaigns. User bases have grown with limited input from the Group, and Asia Pacific continues to represent a significant opportunity.

4.5 *Partner relationships*

4.5.1 Repeat development partner relationships

The Directors believe that Devolver has unique multi-title long-term relationships with developers, who return to Devolver for title after title. For many, Devolver has published all of their games. Importantly, Devolver does not demand IP or sequel rights. Devolver's culture attracts and retains artistic talent from the gaming space who remain with the Group. Many of the Group's partner development studios have not released a title with another publisher since their first release with Devolver. Currently around 42 per cent. of titles in the pipeline are from developers who have already published a title with Devolver.

Sample of multi-title developer relationships[11]



These repeat and successful relationships de-risk the pipeline. Acquisition cost for games is minimal as trusted partners return to Devolver with their new ideas, and IP owners have confidence in Devolver to deliver a high-quality game. Working with such a broad range of studios also allows access to specialists in a range of genres, enhancing the quality of Devolver's portfolio.

4.5.2 Length of relationships with major platforms

Devolver has long-term associations with key digital distribution partners across the video gaming industry, some of which stretch over a decade. The Directors believe that the strength of these relationships allows the Group to promote titles in ways which may be unavailable to

[11] Source: Devolver management information.

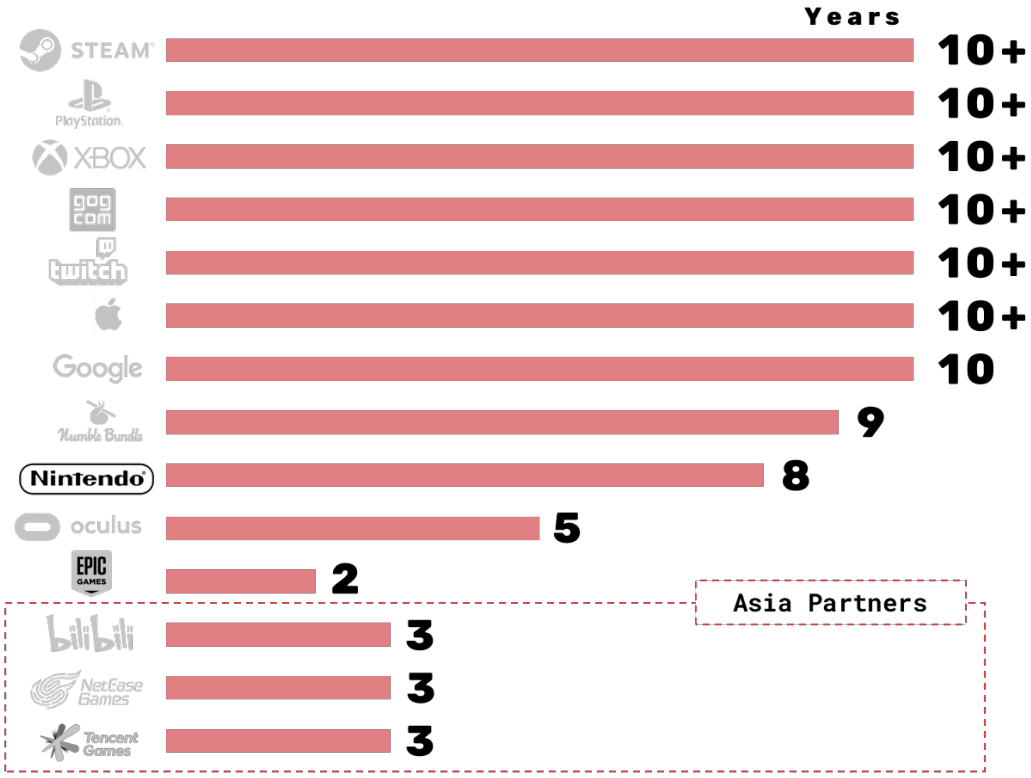
other publishers. For example, Twitch, who Devolver has been involved with for over 10 years, hosted the digital Devolver Direct event, which was promoted free of charge on Twitch's main channel.

Titles published by Devolver can be promoted to prominent positions on the front page of digital marketplaces, increasing game interest and driving sales. Platforms are increasingly searching for content, for example to provide under subscription and streaming models. Providers know to look to Devolver's rich portfolio of titles for content. Devolver provides an uplift that developers may struggle to achieve on their own.

In the PC space, Devolver has a long-term relationship with Steam. Devolver also has connections with other storefronts, including GOG (over 10 years), Humble Bundle (8 years) and Epic Games (2 years). In the console space, Devolver has worked with the major console providers, such as PlayStation and Xbox, for over ten years. In the mobile space, a growing area of revenue for the Group, Devolver has a 10 year relationship with Apple and Google Play, and links to key partners in Asia, include NetEase Games, BiliBili and Tencent Games.

Devolver also has strong relationships with newer entrants and alternative game mediums. In Virtual Reality ("VR"), Devolver has a five year relationship with Oculus, and a four year relationship with Stadia in cloud gaming.

Sample of platform relationships[12]



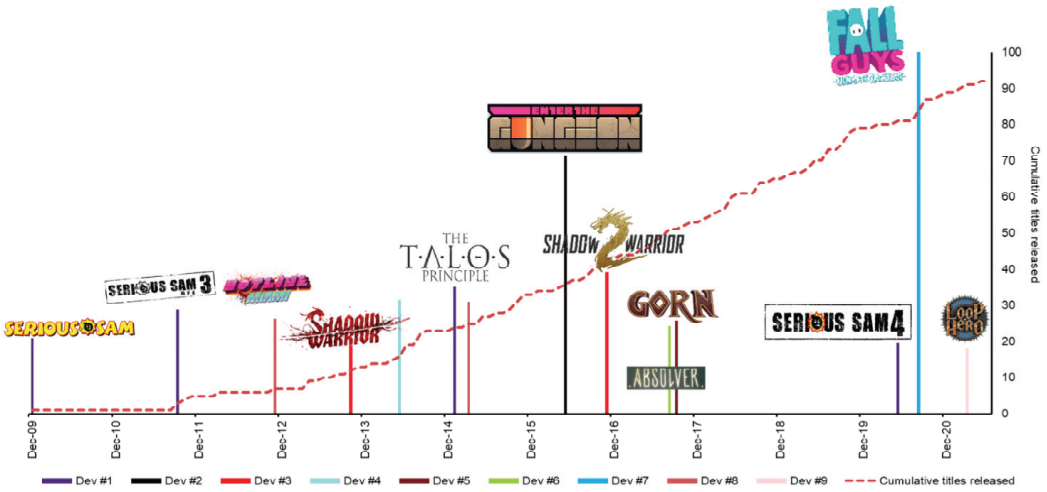
4.6 *Game Portfolio*

4.6.1 Core Devolver Business

Devolver has a portfolio of approximately 90 games as at 30 June 2021 (adjusted for the sale of *Fall Guys* and *Scum* publishing rights). In 2021 Devolver has released 8 new titles released in 2021. The chart below illustrates the steady game portfolio progression since 2009.

[12] Source: Devolver management information.

Devolver portfolio progression[13]



Within Devolver's portfolio, there are five multi-title franchises, *Serious Sam*, *Shadow Warrior*, *Enter the Gungeon*, *Reigns and Hotline Miami*. Of these, Devolver owns the IP of all but *Hotline Miami*.

Franchise	Number of Titles Released	Average Metacritic Rating	Cumulative Lifetime Revenue Range	IP Type
SERIOUS SAM	10	72	$20m - $30m	Own-IP
HOTLINE MIAMI	2	78	$10m - $20m	Third-Party
SHADOW WARRIOR	2	74	$20m - $30m	Own-IP
ENTER THE GUNGEON	2	78	$20m - $30m	Own-IP
REIGNS	4	81	$10m - $20m	Own-IP

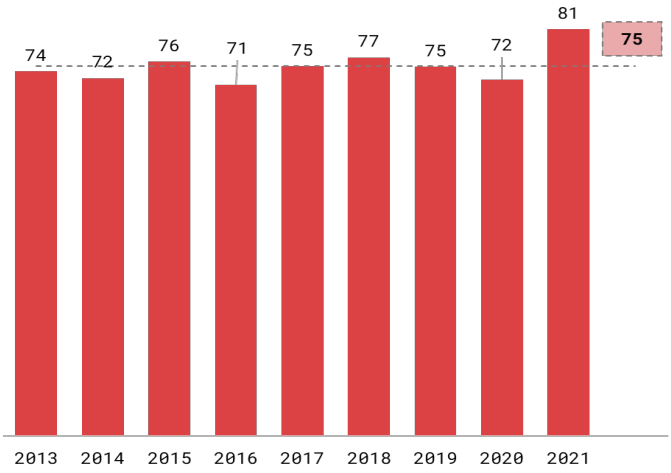
Each franchise provides long-term revenue generation beyond the first two years post-release. For example, *Enter the Gungeon*, which was released in May 2016, generated 70 per cent. of its total cumulative revenue from 2018 to 2020, excluding the six-month period 30 June 2021.

On a title basis, nine games within the portfolio have generated more than $10 million in revenue since their release. In total four own-IP games have generated more than $10 million in revenue since their lifetime.

Devolver strives to deliver original and high-quality titles. The Group has attained a Metacritic rating of 75 over its entire lifetime and an average score of 76 from 2018 to present.

[13] Source: Devolver management information; vertical bars indicate lifetime revenues, chart is not exhaustive and only includes Devolver titles.

Average annual new release Metacritic ratings[14]



With the acquisition of Good Shepherd and Firefly, the Group has added over 30 titles to its portfolio. Titles include a number of licensed IP games published by Good Shepherd, and instalments in the Stronghold series developed and published by Firefly.

4.7 ***Devolver in Asia***

Making up 48 per cent. of the global games market, Asia Pacific represents a large market opportunity for Western games brands. The Group has already built a foothold in Asia Pacific, primarily through PC gaming. Asia currently ranks as Devolver's second largest market by Steam unit sales.

Success in the Asian market to-date has been established through a demand-driven model. Devolver has built strong relationships with partners in the region, including BiliBili, Tencent and NetEase, with the latter becoming an investor in the Company.

Devolver will continue to pursue a demand-driven, low-risk approach by making use of existing relationships in the region through local PR advisers and strategic team members. Devolver will gain increasing exposure to the market as part of wider strategic efforts to improve localisation.

4.8 ***M&A***

The Company recently embarked on an M&A program of acquiring developer studios, having made five acquisitions since 2020. The cash generated from the huge success of *Fall Guys* and the subsequent sale of its publishing rights has provided the Group with additional capital to accelerate its long-term growth strategy, investing in developer studios and other initiatives. Devolver has acquired and integrated long-term partners and friends, formalising relationships that have existed for up to 20 years.

For most of these studios, moving in-house to Devolver has been a natural evolution, as the length and success of these partnerships has built strong ties and mutual trust. In welcoming these businesses into the fold, Devolver will continue to evolve those partnerships. Devolver has also strategically acquired long-term associates who have not previously had a commercial relationship with the Group, but whose culture was similar and well understood.

Familiarity and shared understanding with these partner studios and long-term contacts lowers integration risk. The Directors believe that bringing these businesses into the Group will unlock additional sources of revenue and provide margin enhancement.

Croteam

Acquired in October 2020, Croteam is a Croatia-based developer with 32 developers and 38 total team members. Devolver has published 12 games with Croteam, the most of any single developer.

[14] Average of Metacritic scores for Devolver games released in the respective years, only including games which have a score available on Metacritic, not all titles.

Devolver's Founders' relationship with Croteam stretches back to partnerships with G.O.D. Games and Gamecock Media. Titles in the *Serious Sam* franchise were the first games published by the Group, proving to be a ground-breaking series for Devolver. Croteam will continue to develop Serious Sam, Talos Principle and new IP games published under the Devolver brand. Bringing such a key long-term partner in-house will improve margins on some of the Group's biggest titles.

Good Shepherd

Acquired in January 2021, Good Shepherd is a Netherlands-based publisher that also majority owns a Polish development studio, Artificer. The combined business has 56 total team members with 35 developers working at Artificer. Established in 2011 with independent investment from some of the Devolver founders, Good Shepherd will continue publishing third party and licensed IP titles, as well as Artificer's own-IP titles. Good Shepherd brings a complementary publishing brand to the Group with a more selective and streamlined pipeline with niche titles, a focus on strategy and simulation games and partnerships with large IP owners such as Disney, Lionsgate and Metro Goldwyn Mayer.

Nerial

Acquired in May 2021, Nerial is a UK-based development studio with 16 developers and 17 total team members, creating story-focused strategic games. Nerial has six titles published or in production with Devolver with a combined cumulative revenue of over $10 million. Devolver published Nerial's first major title *Reigns*, released in 2016, and has continued to publish their titles since then. Devolver will continue to publish Nerial's titles, benefiting from the margin enhancement of bringing IP in-house.

Firefly Studios

Acquired in June 2021, Firefly is a UK-based video games studio with 26 developers and 36 total team members, who create historical real-time strategy (RTS) titles for PC, best known for the Stronghold franchise. Whilst Devolver has never published a Firefly title, earlier Stronghold instalments have been published by the founders at G.O.D Games and Gamecock Media. Firefly have since used a variety of publishers and also self-published their titles. The acquisition of Firefly will expand Devolver's presence in the RTS space and free-to-play games. Firefly brings additional titles to the back catalogue, which will continue to generate revenue for the Group.

Dodge Roll

Acquired in July 2021, Dodge Roll is a US-based video games studio with four team members, who are all developers. Dodge Roll's first major partnership with Devolver was *Enter the Gungeon* in 2016, which was a breakout hit, selling over four million units and making over $25 million revenue. This was followed by *Exit the Gungeon*, which launched on Apple Arcade in 2019. Acquiring Dodge Roll has brought a key piece of IP in-house, which the Directors believe will improve margins. Dodge Roll will continue to develop games published by Devolver, building on existing franchises and generating new concepts.

5. Growth Strategy

a) ***Execute and build pipeline***

Devolver will continue to publish critically-acclaimed and independent games under the Devolver brand, targeting approximately twelve to fifteen titles per year. The Group's existing pipeline includes over 30 titles, of which approximately 42 per cent. are from repeat developer relationships. The Group will also publish further titles under the Good Shepherd brand, bringing different game styles to a wider audience and adding licensed IP to the release schedule.

The pipeline includes third-party titles, acquired IP titles, such as the *Shadow Warrior* franchise, and titles from recently-acquired subsidiary studios. Devolver will build upon existing momentum, identifying and building new franchises. Managing the breakout success of *Fall Guys* has elevated Devolver's profile, proving that the Group can handle hit titles on a grand scale.

b) ***Mine the back catalogue***

Devolver's back catalogue has contributed an impressive average 60.8 per cent. to Normalised annual revenues over the last three years. Due to the quality of back catalogue titles and Devolver's reputation in the indie space, management believe that there are significant opportunities for sustainable revenue growth and margin expansion.

Devolver's rich portfolio of titles may mean that subscription services, such as Xbox Gamepass and PlayStation Plus, will come to Devolver prepared to pay one-off fees for titles for their platforms. New entrants into the streaming market are also looking to Devolver for content for their services. Further revenue can be generated by including titles in bundles, as well as promoting publisher specific sales on digital marketplaces.

Porting titles across platforms opens up games to new player bases, and can be released in conjunction with targeted marketing campaigns and bundle deals. Localising titles in new languages expands the addressable market for a game and drives back catalogue sales.

In franchises such as *Hotline Miami* Devolver has managed to boost unit sales of the initial title when bringing out a sequel. With targeted promotion, Devolver can continue to capitalise on franchise release interest rather than cannibalising revenues.

c) ***Improve our craft***

Devolver's recent performance has provided the capital for greater investment of resources and money into games and services. The Group is organically improving its service offering and abilities, which the Directors believe should ultimately drive an increased return on investment for titles. Greater investment in games allows for bigger budgets on certain titles, which when applied to for own-IP titles can drive significant margin upside.

Increased investment includes better game selection, more gameplay testing, improved porting and localisation services, and bigger marketing campaigns. 'Improving our craft' allows the Group to better capitalise on the momentum of initial releases by simultaneously releasing titles on multiple platforms and in multiple geographies.

The Group has selectively added individual talent as it has grown, bringing on industry experts with years of relevant experience. Taking on new industry veterans adds to the already growing breadth of services and deeper capabilities.

d) ***Selective studio & IP acquisition and integration***

Devolver will continue to strategically acquire development studios, standalone IP or service providers, with the aim of broadening the Group's offering and improving its financial profile. Some of these are likely to be trusted partners, who have existing relationships with the Group. Historical collaboration lowers the integration risk of bringing these companies on board, with the prospect of mutual upside.

The Group's acquisition strategy will remain considered and selective, and management will take a prudent approach to M&A. Alongside trusted partners, the Group will also consider acquiring non-partner businesses which provide complementary IP, products or services.

The Directors believe that, in cases where Devolver has previously published titles with developers, bringing them in-house will improve margins and reinforce successful relationships. In cases where Devolver hasn't published a studio's titles, acquisitions will provide incremental revenue. Devolver can energise back catalogues and add value to new releases in development, production and marketing. The Group can help to accelerate porting and localisation plans, and include titles in publisher sales, buyout deals and more.

6. Selected historical financial information

The following financial information has been derived from the financial information contained in Section B of Part IV (Historical Financial Information) of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information set out below.

	Year ended 31 December 2018 Audited $000	*Year ended 31 December 2019 Audited $000*	*Year ended 31 December 2020 Audited $000*	*Six months ended 30 June 2021 Audited $000*
Turnover	42,472	58,749	212,738	46,443
Cost of Sales	(33,069)	(44,328)	(121,045)	(30,727)
Gross profit	9,403	14,421	91,693	15,716
Administrative expenses	(4,957)	(6,033)	(14,533)	(27,408)
Other income	–	1,900	–	115,280
Group operating profit	4,446	10,288	77,160	103,588
Adjusted EBITDA	4,802	10,634	80,573	118,332
Finance income	22	61	101	25
Finance costs	–	–	(104)	–
Profit on ordinary activities before tax	4,468	10,349	77,157	103,613

To demonstrate a Normalised financial profile for the Group, the Directors have presented Normalised unaudited financial information for key performance indicators. The adjustments made, to the extent applicable and where the context requires, relate to the removal of the financial impact of the outperformance of *Fall Guys* compared to the pre-release internal budgets of the Group; the removal of the proceeds of sale of publishing rights and IP; and the adding back of Founder bonuses. The table below shows the Normalised revenue, gross profit and Adjusted EBITDA for the Group. A bridge from the audited financial information to the Normalised financial information can be found in Part II.

	Year ended 31 December 2018 $000	*Year ended 31 December 2019 $000*	*Year ended 31 December 2020 $000*	*Six months ended 30 June 2021 $000*
Normalised Revenue	42,472	58,749	71,104	46,443
Normalised Revenue Growth	n/a	38.3%	21.0%	94.7%
Normalised Gross Profit	9,403	14,421	23,080	15,541
Normalised Gross Profit Margin	22.1%	24.5%	32.5%	33.5%
Normalised Adjusted EBITDA	5,780	11,617	15,782	12,568
Normalised Adjusted EBITDA margin	13.6%	19.8%	22.2%	27.1%

Revenues rose to record highs in the year to 31 December 2020, with a significant contribution from the success of *Fall Guys*. On a Normalised basis, which excludes the non-budgeted performance of *Fall Guys*, the year ended 31 December 2020 was still a record year with revenue of $71.1 million, driven by the performance of new releases and a significant contribution from the large number of quality titles within the back catalogue. Revenue for the six months ended 30 June 2021 includes two months of contribution from *Fall Guys* (amounting to $3.9 million), supported by strong performance in the back catalogue.

Cost of sales primarily relate to royalty costs paid to developers, developments costs for own IP games and marketing costs.

Administrative expenses primarily relates to payroll costs, in addition to professional fees, amortisation (added back in Adjusted EBITDA), travel and office costs. These costs were proportionately higher in the year ended

31 December 2020 and six months ended 30 June 2021 due to an increase in staff numbers, bonuses paid as a result of the strong *Fall Guys* performance, and stock-based compensation.

Other income in year ended 31 December 2019 and six months ended 30 June 2021 was generated from the sale of own-IP and game publishing rights.

Adjusted EBITDA has increased from $4.8 million in the twelve months ended 2018 to $80.6 million in the twelve months ended 2020 which is primarily driven by the success of *Fall Guys*. On a Normalised basis in the period ending December 2020 an Adjusted EBITDA of $15.8 million was still achieved, representing growth of 35.9 per cent. versus the period ending December 2019. Adjusted EBITDA margins have increased from 11.3 per cent. in 2018, to 18.1 per cent. in 2019, 37.9 per cent. in 2020 and 254.7 per cent. in the six months to 30 June 2021. On a Normalised basis Adjusted EBITDA margins have increased from 13.6 per cent. in 2018, to 19.8 per cent. in 2019, 22.2 per cent. in 2020 and 27.1 per cent. in the six months to 30 June 2021.

7. Current trading and prospects

For the period from 30 June 2021, being the date to which the Historical Financial Information in Section B of Part IV of this document has been prepared, to the date of this document trading was in line with the Board's expectations and as at 30 September 2021, the Group had an unaudited cash balance of $48.8 million. Devolver has completed the acquisition of Dodge Roll, mentioned above in paragraph 4.8 of this Part I. The Group remains on track to deliver its pipeline, with a total of 9 titles to be released for the year to December 2021. The Directors believe that Devolver currently has the most exciting line-up of games that it has ever had, built of a balanced mix of third-party IP and own-IP titles. The Group expects to complete the financial year with a strong contribution from its extensive back catalogue, which will continue to complement the strong pipeline of new releases.

8. Directors and Senior Management

8.1 *Directors*

The following table lists the names, ages, positions, and dates of appointment as a director for each Director:

Name	*Age*	*Position*	*Date appointed*
Harry Miller	54	Executive Chairman	26 March 2008
Douglas Morin	54	Chief Executive Officer	13 August 2020
Daniel Widdicombe	55	Chief Financial Officer	12 May 2021
Kate Marsh	59	Senior Independent Director	29 October 2021
Joanne (Jo) Goodson (née Wood)	57	Non-Executive Director	29 October 2021
Jeffrey Lyndon Ko	38	Non-Executive Director	29 October 2021
Janet Astall (née Avery)	48	Non-Executive Director	29 October 2021

The business address of all of the Directors is 3267 Bee Caves Road, #107 (Box 63) Austin, Texas 78746, United States.

The management expertise and experience of each of the Directors is set out below:

Harry Miller (54) – Executive Chairman

Harry is a video games industry veteran, with over 26 years of sector experience, having established and managed a number of publishing and developing businesses. Harry was a co-founder and CEO of video games developer Ritual Entertainment, leaving in 1998. In the same year he co-founded Gathering of Developers, also known as G.O.D. or G.O.D. Games, alongside two founders of Devolver. Following the sale of G.O.D. to Take-Two Interactive in 2000, Harry became CEO of Hong-Kong based En-Tranz Entertainment, where he stayed until 2003. Harry was a Director of Play HK Ltd, until reuniting with the G.O.D. Games founders in 2006, helping establish another developer-first publishing brand, Gamecock Media. Harry ran Gamecock as President until its sale in 2008. Harry and several of the G.O.D. founders went on to establish Devolver, where he currently occupies the Executive Chairman role, having previously served as President. Harry is also a founding partner of Good Shepherd and has an MIM from Thunderbird School of Global Management.

Douglas Morin (54) – Chief Executive Officer

Douglas joined Devolver in 2020 as Chief of Staff and was appointed CEO in 2021. Prior to joining Devolver Digital, Douglas has had 24 years of experience working in equity capital markets, having started his career at Bear Stearns in 1996. Moving to Hong Kong, Douglas joined CCB International in 2007, where he worked on a number of high-profile IPOs, until he joined Crosby Securities as CEO in 2012. Douglas left Hong Kong in 2016, later joining Wedbush Securities in San Francisco, where he was an MD in Equity Capital Markets. Douglas has an MBA from Thunderbird School of Global Management, where he first met Harry.

Daniel Widdicombe (55) – Chief Financial Officer

Dan joined Devolver as CFO in 2021, bringing with him over 30 years of finance experience. A fluent Mandarin and Cantonese speaker, Dan trained as an investment analyst in Hong Kong at HSBC and Bear Stearns, and then spent 4 years as CFO of NASDAQ-listed internet company Chinadotcom. Dan has held a number of non-executive roles including Chairman of the Audit Committee of Corgi International, another NASDAQ-listed business, and Middle Earth Limited. On returning to London, Dan spent over 10 years at China Construction Bank as Head of Investment Banking, leaving in 2020, joining Devolver in May 2021.

Karen (Kate) Marsh (59) – Senior Independent Director

Kate has over 30 years of experience in digital and media businesses. She is a non-executive director at UK listed Games Workshop Group Plc, Elstree Film Studios Limited and heads up international development for MGM Studios' digital networks. Kate is also a non-executive director of Mediahuis Ireland Limited (previously INM plc) but will be stepping down at the next year end, following a three year term. Kate has built and managed significant media businesses across Europe, holding senior roles with Sky, GroupM, the BBC, and Sony Pictures Television.

Joanne (Jo) Goodson (57) – Independent Non-Executive Director

Jo is a tech entrepreneur with over 25 years of experience. She is currently Managing Partner of tech M&A boutique Hampleton Partners. Jo began her career in the tech and games space as VP Europe for US games and entertainment publisher Broderbund. She left to co-found software publisher Mediagold, which later exited to Avanquest, a Paris based Euronext-listed company. Since then Jo has been an adviser and/or early stage investor in a range of games businesses including Mediatonic (now Tonic Games), Playmob, Indigo Pearl, a games industry PR company, and Six to Start, recently exited to OliveX.

Jeff Lyndon Ko (38) – Independent Non-Executive Director

Jeff has over 20 years of experience in the video games sector. He is currently President of iDreamsky Technology, a company he co-founded in 2009. iDreamsky is a Chinese headquartered video games company, listed on the Hong Kong Stock Exchange. Jeff was elected as the President of the Shenzhen ESports Association in November 2018. He also served as the Honorary Advisor of Hong Kong Esports Club Limited and the Honorary President of Macau E-Sports Federation.

Janet Astall (48) – Independent Non-Executive Director

Janet has over 20 years of experience working in finance, the majority of which has been spent working for consumer-facing technology businesses. Janet is currently the Finance Director, Financial Control and COO Business Partnering at mobile network, Three. Janet has previously held financial controller and similar roles at BT and British Gas and O2 and was a Non-Executive Director at Telefonica. Janet is a Chartered Accountant, qualifying at KPMG in 1998.

8.2 ***Senior management***

The Group's Senior Managers, in addition to the Executive Directors listed above, are as follows:

Eric (Rick) Stults (53) – Finance and HR Manager

Rick is one of the co-founders of Devolver Digital and has overseen its finance and HR functions since the Group's formation. Rick was also a co-founder of G.O.D. Games and Gamecock Media Group, and has worked in the video games industry for over 20 years.

Graeme Shearer Struthers (57) – Head of Publishing

Graeme is a co-founder of Devolver Digital, and is involved across the business in production, PR and marketing. Prior to founding Devolver, Graeme worked across a number of games companies, including Virgin Interactive and Electronic Arts, and met several of the other co-founders at G.O.D. Games.

Nigel Breedlove Lowrie (41) – Chief Marketing Officer

Nigel helped co-found Devolver Digital and currently oversees marketing for the Group while being heavily involved in business development and relationship building. Before joining Devolver, Nigel worked alongside the other Founders at Gamecock Media Group, as well as in several roles in advertising.

Brian Chadwick (51) – Group General Counsel

Brian joined the Group in May 2021 as Group General Counsel, bringing over 20 years of legal experience, most recently as co-head of tech M&A at law firm Fieldfisher LLP. Brian is a dual qualified UK/US lawyer who has previously been General Counsel of games publisher and developer Miniclip SA.

Andrew Owen Parsons (39) – Head of Production

Andrew joined Devolver in 2013, where his current role includes supporting developers in production, design and technical support. Andrew's background is in game development, and he originally began working in the industry as a game designer. Andrew has previously worked across the sector at Firefly, Codemasters and Curve, as well as interning at G.O.D. Games.

Sarah Jane Seaby (47) – Marketing & PR Director

Sarah joined Devolver in July 2021, where her role includes managing marketing and relationships with developers and building out PR and media strategy. Sarah's previous industry experience includes senior marketing roles at Bethesda, Gamecock Media, Take-Two Interactive, SEGA and others. Sarah also runs her own video games strategy consultancy.

Luke Faraday Vernon (49) – Head of Development

Luke joined Devolver full time in May 2020 after a number of years as a consultant. Luke's role involves assisting game developers with production and development, overseeing games and looking at technology and release strategy. Luke has over 25 years of experience in the industry and previous employers include Playstation, Take-Two Interactive, Activision, Infinity Ward and others, where he was executive producer on a number of globally renowned titles.

John Michael Bartkiw (47) – Chief Technology Officer

John re-joined Devolver in December 2018, having spent eleven months at Devolver in 2015. John currently oversees the technology and technical support aspect of the Group and has a background in computer software. John has strong relationships with gaming platforms, having spent 18 of over 24 years of experience at Microsoft, Valve and Oculus VR working with gaming platforms.

9. Placing and Placing Agreement

The Company is proposing to raise a total of approximately £33,422,832 (before costs and expenses of approximately £6,677,096) by way of a conditional placing of the New Placing Shares at the Placing Price. The New Placing Shares will represent approximately 4.8 per cent. of the Enlarged Share Capital at Admission.

As part of the Placing, the Selling Shareholders have agreed to sell, in aggregate, 98,292,740 Sale Shares at the Placing Price. The Sale Shares will represent approximately 22.2 per cent. of the Enlarged Share Capital at Admission. The Company will not receive any proceeds from the sale of the Sale Shares.

Option holders have been given the opportunity to exercise some of their Options and sell the resulting Option Sale Shares in the Placing. The Option Sale Shares will form part of the Sale Shares for the purposes of the Placing.

Pursuant to the Placing Agreement, the Sole Bookrunner and the US Private Placement Agent have agreed to use their respective reasonable endeavours to procure subscribers for the New Placing Shares and purchasers for the Sale Shares. Zeus Capital is acting as Sole Bookrunner in the United Kingdom and the European Union and Beech Hill Securities, Inc. is acting as US Private Placement Agent in the United States.

The Company, the Directors and the Selling Shareholders have given certain warranties (and the Company has given an indemnity) to the Sole Bookrunner and the US Private Placement Agent.

The Placing, which is not underwritten, is conditional, *inter alia*, on:

(a) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and

(b) Admission occurring no later than 4 November 2021 (or such later date as the Sole Bookrunner, the US Private Placement Agent and the Company may agree, being no later than 2 December 2021).

The New Placing Shares being subscribed for pursuant to the Placing will, on Admission, rank *pari passu* in all respects with the Existing Shares in issue (including the Sale Shares) and will participate in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company.

Except as noted in Part VII, the Placing Shares will, immediately on and from Admission, be freely transferable.

The Sole Bookrunner and the US Private Placement Agent have the right under the Placing Agreement to terminate the Placing Agreement and not proceed with the Placing if, prior to Admission, certain events occur including certain force majeure events. If such right is exercised, the Placing will lapse and any monies received in respect of the Placing will be returned to investors without interest.

Further details of the Placing Agreement are set out in paragraph 13 of Part VI of this document.

10. The Subscription and Subscription Agreements

In addition to the Placing, the Company is proposing to raise a total of approximately £3,125,192 by way of a conditional subscription by the Subscribers of the Subscription Shares at the Placing Price. The Subscription Shares are being concurrently offered in a separate private placement primarily to US persons who qualify as "accredited investors" as defined by and pursuant to an exemption from registration with the US Securities and Exchange Commission under Regulation D under the US Securities Act. The Subscription Shares will represent approximately 0.45 per cent. of the Enlarged Share Capital at Admission. The Subscription has been made pursuant to certain Subscription Agreements.

The Subscription is, is conditional, *inter alia*, on:

(a) the Subscription Agreements and the Placing Agreement becoming unconditional and not having been terminated in accordance with their terms prior to Admission; and

(b) Admission occurring no later than 4 November 2021 (or such later date as the Sole Bookrunner, the US Private Placement Agent and the Company may agree, being no later than 2 December 2021).

The Subscription will therefore not occur if the Placing and Admission does not also occur.

The Subscription Shares being subscribed for pursuant to the Subscription will, on Admission, rank *pari passu* in all respects with the Existing Shares in issue (including the Sale Shares) and will participate in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company.

The Subscription Shares are subject to transfer restrictions under the US securities laws and may only be resold in a transaction registered under the US Securities Act or pursuant to an exemption therefrom, which would generally include a resale on AIM pursuant to the exemption provided by Rule 904 of Regulation S.

11. The Contingent Consideration Shares

As detailed in paragraph 4.8 of this Part I, the Company has made five acquisitions since 2020.

Certain of these acquisitions included the right for the selling shareholders of the relevant target companies to receive additional contingent consideration in the event of certain specified exit events in the form of cash, Shares or a combination thereof at the election of the Company. Devolver has agreed to treat Admission as an exit event for the purposes of these agreements accordingly and to pay the additional contingent consideration, which will be satisfied by the issue of the Contingent Consideration Shares. Accordingly, Devolver shall issue, conditional upon Admission, in aggregate, 14,472,990 Contingent Consideration Shares to the selling shareholders of these companies pursuant to; (i) the Dodge Roll SPA; (ii) the Firefly SPA; and (iii) the Nerial SPA.

The Contingent Consideration Shares shall be issued subject to and conditional upon Admission. The Contingent Consideration Shares will rank *pari passu* in all respects with the Existing Shares in issue (including the Sale Shares) and will participate in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company.

The Contingent Consideration Shares will be subject to transfer restrictions under the US securities laws and may only be resold in a transaction registered under the US Securities Act or pursuant to an exemption therefrom, which would generally include a resale on AIM pursuant to the exemption provided by Rule 904 of Regulation S.

12. Options

The Company operates the Existing Share Plan, on the terms described in paragraph 6 of Part VI of this document.

In connection with Admission, the Company has permitted holders of Options to exercise a defined proportion of their Options and sell the resulting Options Sale Shares in the Placing. The Options Sale Shares will be issued by the Company and then sold by the Options Selling Shareholders pursuant to the Placing, conditional upon Admission.

In addition, in connection with Admission, the Company is permitting holders of Options to exercise a proportion of their outstanding and vested Options and retain the resulting Shares (rather than sell them in the Placing). Holders of Options may sell the necessary amount of Option Sale Shares in order to cover the exercise price. The Options Shares will be issued by the Company conditional upon Admission and will therefore form part of the Enlarged Share Capital.

Further details of outstanding Options are included in paragraph 6 of Part VI of this document.

13. Lock-in and Orderly Market Deeds

Each of the Locked-in Persons, who on Admission will be the holders of 312,468,417 Shares in aggregate, representing approximately 70.7 per cent. of the Enlarged Share Capital have entered into Lock-in and Orderly-Market Deeds, which have the following terms:

Locked-in Person	*Length of lock-in (from Admission)*	*Length of orderly-market (from end of lock-in period)*	*Aggregate number of Shares subject to the Lock-in and Orderly Market Deeds*	*Percentage of Enlarged Share Capital as at Admission*
The Directors, the Existing Founders and the founders of the Group's subsidiaries	12 months	12 months	250,205,307	56.6%
Shareholders (NetEase Entities and FortuneEase L.P.)	6 months	6 months	43,657,950	9.9%
Shareholders (team members of both Devolver and the Group's subsidiaries)	6 months	6 months	8,076,285	1.8%
Shareholders (contractors or other non-team members)	6 months	6 months	11,652,025	2.6%
The Subscribers (being certain friends and family of the Board and certain persons who were investors in Good Shepherd)	3 months	9 months	285,285	0.1%

Under the terms of the Lock-in and Orderly Market Deeds, the Locked-in Persons have undertaken to the Company and the Sole Bookrunner not to dispose of any interest in any Shares owned by them or any connected person for periods of 12 months, 6 months or 3 months from Admission, as specified above (the "**Restricted Period**") and, for further periods of 12 months, 9 months or 6 months, as specified above, following expiry of the Restricted Period, only to dispose of their Shares through the Sole Bookrunner during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature. Further details of the Lock-in and Orderly Market Deeds are contained in paragraph 13.2 of Part VI of this document.

14. Use of proceeds

The gross proceeds of the Fundraising will be used by the Company to:

- provide further capital for acquisition of strategic partners;
- facilitate further increased investment in pipeline and mining the back catalogue;
- further invest in subsidiary development capabilities and energise subsidiary back catalogues; and
- further invest in in-house production and other service capabilities.

In addition to enabling the Fundraising, the Directors believe that Admission will, *inter alia*, provide access to capital on an ongoing basis to fund the Group's organic growth and M&A strategy, further enhance the Group's reputation as an ethical publisher and create a currency of the Group's shares.

15. Taxation

Information regarding taxation is set out in paragraph 18 of Part VI of this document.

These details are intended only as a general guide to the current tax position in the **United Kingdom** and the **United States**. If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the **United Kingdom** or the **United States**, he or she should consult his or her own independent financial adviser immediately.

16. Admission, Settlement and dealings

Admission and CREST

Application has been made to the London Stock Exchange for the Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Shares on AIM will commence at 8.00 a.m. on 4 November 2021.

The Shares will be in registered form and will be capable of being held in either certificated or book-entry or uncertificated form (including in CREST, where they will be represented by Depositary Interests). Accordingly, following Admission, settlement of transactions in the Shares so represented by Depositary Interests may take place within the CREST system if a Shareholder so wishes. In respect of Shareholders who will receive Placing Shares in uncertificated form, Depositary Interests representing interests in underlying Shares will be credited to their CREST share accounts on 4 November 2021. Shareholders who wish to receive and retain share certificates are able to do so.

CREST is a voluntary, paperless settlement procedure enabling securities (including Depositary Interests) to be evidenced otherwise than by a certificate and transferred otherwise than by way of a written instrument in accordance with the CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system. Depositary Interests representing Shares may be held in electronic form and evidence of title to Shares will be established on an electronic register maintained by the Registrar in Jersey.

The requirements of the AIM Rules for Companies provide that the Company must, on Admission becoming effective, have a facility for the electronic settlement of the Shares. As the Company is incorporated in the United States, its Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement. The Depositary Interests representing the Placing Shares will be issued to the individual Shareholders' CREST account on a one for one basis and with the Depositary providing the necessary custodial service. It is expected that, where Placees have asked to hold their Placing Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission.

Investors who are able to and elect to hold their Shares as Depositary Interests will be bound by a Deed Poll, executed by the Depositary in favour of the investors from time to time, the terms of which are summarised in paragraph 19 of Part VI of this document. The rights and obligations pertaining to the Depositary Interests will be governed by English law. The Depositary Interests are settled within the CREST system in the same way as any other CREST security. The Shareholders that are non-US Persons have the choice of whether to hold their Shares in certificated form or in uncertificated form in the form of Depositary Interests.

The Company's share register, which will be kept by the Registrar in Jersey, will show the Depositary or its nominated custodian as the holder of the Shares represented by Depositary Interests but the beneficial interest will remain with the Shareholders who will continue to receive all the rights attaching to the Shares as they would have if they had themselves been entered on the Company's share register. Shareholders can withdraw their Shares back into certificated form at any time using standard CREST messages.

Those Placees that wish to hold their Shares in certificated form should contact the Registrars. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Shares (other than in respect of those Shares settled via Depositary Interests through CREST), transfers will be certified against the Company's share register.

Existing Shares, Subscription Shares and Contingent Consideration Shares will continue to be held in book-entry or certificated form registered in the name of the legal holders thereof or their nominees on the Company's share register kept by the Registrar in Jersey. Such Shares will remain subject to transfer restrictions under the US securities laws and may only be resold in a transaction registered under the US Securities Act or pursuant to an exemption therefrom.

CREST: Regulation S Category 3 Settlement Service

The Placing Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold only outside the United States to persons who are not US persons or acting for the account or benefit of any US Persons in "offshore transactions" (as defined in Regulation S) in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3), or Category 3, of Regulation S. The Placing Shares will be subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. The Placing Shares are "restricted securities" as defined in Rule 144 under the US Securities Act. Purchasers of the Placing Shares may not offer, sell, pledge or otherwise transfer Placing Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except

pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to another exemption from the registration requirements of the US Securities Act.

Each subscriber or purchaser of Placing Shares, by subscribing for or acquiring such Placing Shares, and each other person who deposits Shares into CREST against the issuance of depositary interests agrees to reoffer or resell the Shares only pursuant to registration under the US Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act. The above restrictions severely restrict subscribers and holders of Shares from reselling the Shares in the United States or to, or for the account or benefit of, any US Person. The Company currently intends that these restrictions will remain in place indefinitely.

Once the Placing Shares are admitted to trading on AIM, the Placing Shares will trade in the Company's restricted line of Shares under the symbol DEVO. The Shares (represented by the Depository Interests) subscribed for or purchased and held by non-Affiliates of the Company and any Shares subsequently deposited with CREST against the issuance of depositary interests will be held in the CREST system and identified with the marker "REG S". The "REG S" marker indicates that the Shares held in the CREST system will bear the legend set out in Part VII of this document which describes certain transfer restrictions and other information, including that: (a) the Shares may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, into or from the United States or to, or for the account or benefit of, US Persons except (i) in an offshore transaction meeting the requirements of Regulation S, (ii) pursuant to an available exemption from registration under the US Securities Act, or (iii) pursuant to an effective registration statement under the US Securities Act; and (b) hedging transactions involving the Shares may not be conducted unless in compliance with the US Securities Act.

The certifications, acknowledgements and agreements set out Part VII of this document must be made through the CREST system by those acquiring or withdrawing Shares with the "REG S" marker. If such certifications, acknowledgements and agreements cannot be made or are not made, settlement through CREST will be rejected. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek advice of independent US legal counsel prior to selling or transferring any Shares. These restrictions, certifications, as well as the legend that will be affixed to the Shares (electronically or otherwise), are set out more fully in Part VII of this document.

17. Effects of US Domicile

The Company is a US corporation incorporated under the laws of the State of Delaware. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in the United Kingdom. The Company has included in its Certificate of Incorporation and Bylaws provisions which aim to replicate certain provisions of standard UK public company articles of association and appropriate provisions of UK company law and regulation, subject to the constraints and limitations of prevailing Delaware law and practice.

Paragraph 7 of Part VI of this document contains a description of the principal differences and the changes made to the Company's constitutional documents to incorporate English law principles in relation to, *inter alia*, share authorities, shareholders' pre-emptive rights, notifiable interests in shares and takeovers. Further information on the applicability of the Takeover Code is set out in paragraph 21 of this Part I.

18. Interests in Shares

Upon Admission, the Directors will in aggregate be interested in, directly and indirectly, 98,175,597 Shares representing approximately 22.2 per cent. of the Enlarged Share Capital. Further information is available in paragraph 9 of Part VI of this document.

19. Corporate Governance

As a company that will be admitted to trading on AIM, the Company is not required to adopt a specific corporate governance code. However, it is required to provide details of the corporate governance code it

has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and have decided to adopt the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Company will comply with the ten principles of the QCA Code, with effect from Admission as detailed in Part V of this document.

Following Admission, the Board will comprise seven Directors, of which three are Executive Directors and four are Non-Executive Directors. The Board considers Kate Marsh, Janet Astall, Joanne (Jo) Goodson and Jeff Lyndon Ko to be independent Non-Executive Directors under the criteria identified in the QCA Code.

The Audit Committee will comprise Kate Marsh, Jeff Lyndon Ko and Janet Astall, who will act as chair. The Audit Committee will, among other duties, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and the internal control systems in use throughout the Company.

The Remuneration Committee will comprise Joanne (Jo) Goodson, Jeff Lyndon Ko and Kate Marsh, who will act as chair. The Remuneration Committee will review and make recommendations in respect of the Executive Directors' remuneration and benefits packages, including share incentive awards and the terms of their appointment. The Remuneration Committee will also make recommendations to the board concerning the allocation of share incentive awards to employees under the intended share schemes.

The Nomination Committee will comprise Harry Miller, Janet Astall and Joanne (Jo) Goodson, who will act as chair. The Nomination Committee will review the composition and efficacy of the Board and where appropriate recommend nominees as new directors to the Board. It evaluates the balance of skills, knowledge and experience on the Board and keeps up-to-date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates. It keeps under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

Share Dealing Code

The Company has adopted a share dealing policy which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of UK MAR and of the AIM Rules.

Bribery and anti-corruption policy

The Company has adopted an anti-corruption and bribery policy which applies to the Board and employees of the Group. It generally sets out their responsibilities in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

Environmental, Social and Corporate Governance Policy

The Company seeks to conduct its enterprise in a responsible manner, to treat its business partners and employees fairly and respectfully, understanding the importance of restricting the negative impacts of its operations on the environment, and advocating those principles with those whom it does business with. The Company seeks to emphasise its commitment to sustainability, employee welfare and development, diversity, equal opportunities, reducing waste and supporting charitable initiatives. The Company seeks to operate in an ethical manner across the jurisdictions in which it does business.

20. Dividend policy

The Directors intend to re-invest a significant portion of the Company's cash reserves and earnings to facilitate plans for further growth. Accordingly, whilst the Directors do not expect to declare any dividend in respect of the current financial year ending on 31 December 2021, it is the Board's intention, should the Group generate a sustained level of distributable profits, to consider a progressive dividend policy in future years.

Declaration of dividends will always remain subject to all applicable legal and regulatory requirements and recommendations of final dividends and payments of interim dividends will be at the discretion of the Board. The Board will not exercise such discretion where it is not commercially prudent to do so taking into account the policy set out above. Whilst the Board considers dividends as the primary method of returning capital to Shareholders, it may, at its discretion, consider share purchases, when advantageous to Shareholders and where permissible.

The Board may revise its dividend policy from time to time.

21. Applicability of the Takeover Code

The Company is not subject to the Takeover Code because its registered office and its place of central management and control are outside the United Kingdom, the Channel Islands and the Isle of Man.

As a result, certain protections that are afforded to shareholders under the Takeover Code, for example in relation to a takeover of a company or certain stakebuilding activities by shareholders, do not apply to the Company.

However, the Company has incorporated provisions in the Certificate of Incorporation which seek to provide Shareholders with certain protections otherwise afforded by the Takeover Code. These include provisions similar to Rule 9 of the Takeover Code and require that any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which he or she is already interested or in which persons acting in concert with him or her are interested, carry 30 per cent. or more of the voting rights of the company, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, the Certificate of Incorporation also provides that when any person, together with persons acting in concert with him or her, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of the Company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person. These provisions, like others contained in the Certificate of Incorporation, are enforceable by the Company against Shareholders. However, in the event of non-compliance or a breach by a Shareholder, the Company would need to take any action to enforce such provisions in the Courts of the State of Delaware without any guarantee that any such action would be successful or any certainty as to what the costs of doing so would be.

Further details of the relevant provisions of the Company's Certificate of Incorporation and Bylaws are set out in paragraph 7 of Part VI of this document. The Certificate of Incorporation incorporates the definition of "concert party" from the Takeover Code, pursuant to which a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. "Control" for these purposes means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights of the company, irrespective of whether the interest or interests give *de facto* control.

22. Concert Party

The Existing Founders are considered by the Company to be acting in concert with each other in relation to the Company for the purposes of the Rule 9 provisions included in the Certificate of Incorporation following Admission (the "Concert Party").

Immediately following Admission, members of the Concert Party will hold, in aggregate, 172,424,770 Shares, representing approximately 39 per cent. of the Enlarged Share Capital. The Concert Party members and their respective holdings are detailed below:

Member of Concert Party	*Number of Shares held on Admission*	*Per cent. of Enlarged Share Capital*
Harry Miller	98,058,520	22.2%
Eric Stults	16,841,685	3.8%
Graeme Struthers	30,059,890	6.8%
Nigel Lowrie[1]	27,464,675	6.2%

23. Risk factors

Your attention is drawn to the risk factors set out in Part III of this document and to the sub-section entitled "Forward Looking Statements" in the Important Information section above. 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. Additional information

You should read the whole of this document and not just rely on the information contained in this Part I. Your attention is drawn to the information set out in Parts II to VII (inclusive) of this document which contains further information on the Group.

[1] of which 118,000 are held by family members and other persons connected with him

PART II

OPERATING AND FINANCIAL REVIEW OF DEVOLVER DIGITAL

The following discussion and analysis is intended to assist in the understanding and assessment of the trends and significant changes in the Group's results of operations and financial condition. Historical results may not indicate future performance. Some of the information in this section, including information in respect of the Group's plans and strategies for the business and expected sources of financing, contains forward-looking statements that involve risk and uncertainties and is based on assumptions about the Group's future business. Actual results could differ materially from those contained in such forward-looking statements as a result of a variety of factors, including the risks discussed in Part III: "Risk Factors" of this document. Potential investors should read "Important Information – Forward Looking Statements" for a discussion of the risks and uncertainties related to those statements and should also read Part III: "Risk Factors" for a discussion of certain factors that may affect the business, results of operations or financial condition of the Group. The following discussion should be read in conjunction with the Historical Financial Information, including accompanying notes, included in Part IV: "Historical Financial Information".

1. Current Trading and Prospects

Devolver has made a strong start in the first half of 2021, with year-on-year revenue growth of 94.7 per cent. and improving reported Adjusted EBITDA margins reaching 254.7 per cent., with Normalised Adjusted EBITDA margins reaching 27.1 per cent. at the end of the period. In the period from 1 January 2021 to the date of this document, Devolver has released eight games, sold the publishing rights to *Fall Guys* to Epic Games, and acquired three developers (Nerial, Dodge Roll and Firefly) and one publisher (Good Shepherd). The Group's reported results for the six months to 30 June 2021 were $46.4 million of revenue, $118.3 million of Adjusted EBITDA and Normalised Adjusted EBITDA was $12.6 million.

Revenues grew at a CAGR of 123.8 per cent. from 31 December 2018 to 31 December 2020. The Normalised revenue CAGR for the period was 29.4 per cent. Revenue for the six months ended 30 June 2020 was $23.9 million and increased 94.7 per cent. to $46.4 million in the six months ended 30 June 2021, including two months of contribution from Fall Guys. Adjusted EBITDA grew, year on year, at a CAGR of 309.6 per cent. from the year ended 31 December 2018 to 31 December 2020. Adjusted EBITDA margins increased year on year from 11.3 per cent. for the twelve months ended 31 December 2018, to 18.1 per cent. for the twelve months ended 31 December 2019, to 37.9 per cent. for the twelve months ended 31 December 2020, and to 254.7 per cent., for the six months ended 30 June 2021. On a Normalised basis Adjusted EBITDA grew, year on year, at a CAGR of 65.2 per cent. from the year ended 31 December 2018 to 31 December 2020. Normalised Adjusted EBITDA margins increased year on year from 13.6 per cent. for the twelve months ended 31 December 2018, to 19.8 per cent. for the twelve months ended 31 December 2019, to 22.2 per cent. for the twelve months ended 31 December 2020, and to 27.1 per cent. for the six months ended 30 June 2021. Devolver's growth strategy has set out a number of targets and ambitions in terms of scaling of revenues, enhancing margins and improving other financial key performance indicators. These goals are forward-looking statements, based on the assumptions of the Directors and senior management. The Directors of Devolver believe that these assumptions are reasonable, however there is no guarantee that they will prove correct, in either outcome or scale. Devolver's ability to achieve these targets will depend upon a number of factors, many of which are outside of the Group's control, including significant market, economic and business risks and uncertainties. These include the risks and uncertainties as described in Part III: Risk Factors. As a result, Devolver's actual results may vary from the targets and ambitions set out below, and those variations may be material.

The Group remains on track to deliver its pipeline, with visibility of over 30 future titles. The Directors believe that Devolver currently has a strong game line-up, built through a balanced mix of third-party and own-IP titles. The Group expects to complete the financial year with a strong contribution from its extensive back catalogue, which will continue to complement the comprehensive pipeline of new releases. Managing the significant outperformance and sale of the publishing rights of *Fall Guys*, in the year ended 31 December 2020 and six-months ended 30 June 2021, was a resounding success for the Group. The Directors and senior management are using this success as a springboard to accelerate the growth strategy of the Group. During the year ended 31 December 2020 spend per game, including *Fall Guys* itself, has increased to the highest total of any historical period, continuing an upwards trend which preceded any outperformance in 2020. As a result of Devolver's growth strategy of improving and refining its craft, average revenue per new

release is anticipated to increase, driving organic revenue growth. To achieve this growth the Group anticipates an increase in cost of sales, including spend on marketing costs, development and production costs, localisation and porting costs. Operating costs will also be higher from an increase in staff costs. The Group expects that spend per game will continue to be higher versus historical periods, although this may vary year on year based on the release schedule and requirements of developers. Over the medium-term Devolver expects that the increase in revenues will match or be greater than the increase in direct and indirect costs, and result in gross profit and operating margins at least in line with those achieved across historical periods. In addition to acquiring 100 per cent. of a standalone own-IP franchise in 2018, over the twelve month period ended 30 June 2021, and with an additional acquisition in July 2021, the Group has expanded with the addition of five development studios and a complementary publishing brand. Devolver anticipates these acquisitions will be accretive to margins and revenue growth in the near- to medium-term.

2. Significant factors affecting Devolver's results of operations

2.1 *New release title sales volumes*

One of the key drivers of revenue growth for Devolver is ensuring that the Group continues to release a consistent number of successful titles each year. New title revenue is driven by the volume of sales of new releases across digital distribution platforms. Between 31 December 2018 and 31 December 2020, on average 39.2 per cent. of the Group's Normalised annual sales have come from newly released titles in the respective year. New release performance is expected to translate into increased contribution to back catalogue sales in the periods post-release. Historically, close to 60 per cent. of lifetime revenues are generated in the first two years after release and 40 per cent. thereafter. When budgeting for new releases, the Directors and senior management try to make prudent judgements regarding the proportion of revenues that are expected to be generated in the period immediately after release. These assumptions are based on a wide range of factors, including, amongst other things, pre-release interest, marketing spend and adjudged impact and similarity with other titles and past releases.

The success of a title at launch is driven by a number of factors, many of which fall outside of the Group's control. The performance of titles within the video game industry is affected strongly by consumer preferences, which heavily impact the performance of new releases. Devolver operates within the indie segment of the market and has a wide schedule of title releases each year, potentially cushioning to a degree the impact of consumer behaviour changes on the portfolio as a whole. Revenue growth in the video games industry is impacted by growth in the number of gamers at any one time. Currently, the number of global gamers is expected to grow to 3.3 billion by 2024. Consumer preferences are also affected by changes in the sector's demographic. For example, the average age of video game players globally is currently increasing year on year. New title performance of Devolver's titles is also driven by the success of marketing and promotional campaigns by the Group.

2.2 *Back catalogue[1] title performance*

The Group defines back catalogue revenue as revenue generated from any game that was released in or before the prior financial year. The back catalogue has historically been a strong source of revenue for the Group. In the twelve months ending 31 December 2018, 2019 and 2020, the Group has generated 60.1 per cent., 61.8 per cent. and 21.0 per cent. of its revenues from the back catalogue, respectively. In the period ended 31 December 2020 the Group generated 60.5 per cent. of its Normalised revenues from the back catalogue. In the six months ended 30 June 2021 and 2020 back catalogue accounted for 77.4 per cent. and 94.4 per cent. of revenues, respectively. Historically, close to 60 per cent. of lifetime revenues are generated in the first two years after release and 40 per cent. thereafter, demonstrating the long revenue tails of Devolver titles. The strength of the back catalogue has a direct impact upon revenues year on year, providing a reliable source of income.

The success of a title in the back catalogue is impacted by its performance during its initial release, however there are various other contributory factors. As with new releases, changes in consumer preferences can influence the back catalogue. Creating and publishing games that have a stickiness and replay value for gamers helps maintain the longevity of a title. The Directors anticipate that there will be various options available to energise and derive revenues from the back catalogue, including porting titles to new platforms, localising titles in new languages, engaging with subscription platforms

1 Back catalogue data is prepared on a cash basis

to sign bundle agreements and distribution platform publisher branded sales. In addition, new modes of consuming games and new entrants to the gaming market are driving increased demand for quality content, and the Group will seek to take advantage of these favourable market tailwinds.

2.3 ***Gross profit margins***

Devolver's cost of sales consists of royalty expenses, amortisation of capitalised game development expenses, marketing costs and merchandise costs. Movements in gross profit margins are primarily made up of:

- royalties, driven by recoup and royalty arrangements and funding requirements, which vary between title and developer and individually impact gross profit margins
- increases or decreases in development costs for in-house and third-party development studios;
- marketing spend; and
- other production costs, including localisation and porting.

During the period ended 31 December 2018 to 30 June 2021, the Group has grown gross profit margins from 22.1 per cent., to 33.8 per cent. In the period ended 30 June 2021 the Normalised gross profit margin was 33.5 per cent.

The outperformance of specific games also results in increases in gross margins. In the twelve month period ended 31 December 2020 and in the six month period ended 30 June 2021, the acquisition of own-IP franchises and partner studios has contributed to an increase in gross profit margins, directly as a result of a reduction in royalty expenses. Devolver anticipates that further acquisitions and the further publication of first-party titles will further enhance gross profit margins, although the Group will continue to publish third-party games as part of its core strategy.

2.4 ***Integration of acquisitions***

In the twelve months ended 31 December 2020 and the six months ended 30 June 2021, Devolver has completed the acquisition of two development studios that have historically partnered with the Company; Croteam, Nerial and acquired a third partner studio; Dodge Roll, in July 2021. In the period ended 30 June 2021, Devolver also acquired UK-based developer Firefly. Collectively, the Group has published over 15 titles with these partners and has a number of further titles in the pipeline. The Group expects that acquiring development studios with which it has historically published titles and whose titles it will continue to publish will improve gross margins in the near- to medium-term.

Devolver has also acquired complementary publisher Good Shepherd which was, as in the case of Firefly, known to management but had no commercial connection to the Group. Devolver expects these acquisitions to add profitable revenue growth to the Group in the near term. Both bring a pipeline of upcoming games, as well as additional back catalogue titles that the Directors believe can be energised as part of the Group's overall growth strategy.

Incorporating these acquisitions into the Group will be a key focus for the Directors and management over the short-term. As part of Devolver's growth strategy, management will also continue to assess strategic opportunities for further inorganic growth. The success of these businesses under the Devolver umbrella will impact upon the overall operating performance of the Group.

3. Group Financial Performance

Consolidated audited results for the years ended 31 December 2018, 2019 and 2020 and consolidated audited results for the six month period ended 30 June 2021 and unaudited six months ended 30 June 2020

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Revenue	42,472	58,749	212,738	46,443	23,855
Gross profit	9,403	14,421	91,693	15,716	5,913
Operating profit	4,446	10,288	77,160	103,588	3,214
Profit before taxation	4,468	10,349	77,157	103,613	3,264
Profit for the year/period	3,168	7,858	64,093	79,451	2,430
Basic earnings per share ($)	0.32	0.79	6.42	7.84	0.24
Diluted earnings per share ($)	0.32	0.76	6.10	7.23	0.23
Non-GAAP measures					
Adjusted EBITDA*	4,802	10,634	80,573	118,332	3,408

*Adjusted EBITDA is a non-GAAP measure and is defined as earnings before interest, tax, depreciation, amortisation (excluding amortisation of capitalised software development costs) and share-based payment expenses.

Adjustments applied to reported financial information to Normalise key profit and loss statement line items

Normalisation adjustments made to the Group's audited results for the years ended 31 December 2018, 2019 and 2020 and consolidated audited results for the six month period ended 30 June 2021 and unaudited six months ended 30 June 2020

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Revenue					
Reported revenue	42,472	58,749	212,738	46,443	23,855
Reported revenue growth	n/a	38.3%	262.1%	94.7%	n/a
Normalised revenue adjustment	–	–	(141,634)	–	–
Normalised Revenue	42,472	58,749	71,104	46,443	23,855
Normalised revenue growth	n/a	38.3%	21.0%	94.7%	n/a
Gross Profit					
Reported gross profit	9,403	14,421	91,693	15,716	5,913
Reported gross profit margin		24.5%	43.1%	33.8%	24.8%
Normalised gross profit adjustment	–	–	(68,613)	(175)	–
Normalised gross profit	9,403	14,421	23,080	15,541	5,913
Normalised gross profit margin	22.1%	24.5%	32.5%	33.5%	24.8%
Adjusted EBITDA					
Reported Adjusted EBITDA	4,802	10,634	80,573	118,332	3,408
Reported Adjusted EBITDA margin	11.3%	18.1%	37.9%	254.7%	14.3%
Normalised Adjusted EBITDA adjustment	978	983	(64,791)	(105,764)	215
Normalised Adjusted EBITDA	5,780	11,617	15,782	12,568	3,623
Normalised Adjusted EBITDA margin	13.6%	19.8%	22.2%	27.1%	15.2%

Summary of audited net assets as at 31 December 2018, 2019 and 2020 and 30 June 2021

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Intangible assets					
– goodwill	–	–	–	159	40,117
– other intangible assets	5,133	7,022	12,962	51,573	80,692
Other non-current assets	–	–	–	1,708	1,830
Total non-current assets	5,133	7,022	12,962	53,440	122,639
Current assets					
Trade and other receivables	4,925	5,706	8,399	15,847	9,702
Current tax receivable	–	–	–	361	569
Cash and cash equivalents	5,312	7,467	12,422	43,529	66,801
Total current assets	10,237	13,173	20,821	59,737	77,072
TOTAL ASSETS	15,370	20,195	33,783	113,177	199,711
EQUITY AND LIABILITIES					
Equity	9,123	12,493	20,642	71,513	170,997
Non-current liabilities	–	101	171	920	10,406
Current liabilities					
Trade and other payables	5,467	7,237	12,061	40,388	11,104
Loans and borrowings	–	–	–	240	288
Other current liabilities	780	364	909	116	6,916
Total current liabilities	6,247	7,601	12,970	40,744	18,308
Total liabilities	6,247	7,702	13,141	41,664	28,714
TOTAL EQUITY AND LIABILITIES	15,370	20,195	33,783	113,177	199,711

4. Review of Financial and Operating Performance

4.1 *Description of key line items in Devolver's consolidated statement of profit & loss*

4.1.1 Revenue

Revenue primarily relates to game sales, with a small proportion of merchandise income. Revenue increased from $42.5 million in the twelve months ended 31 December 2018 to $58.8 million in the twelve months ended 31 December 2019 and to $212.7 million in the twelve months ended 31 December 2020. The Normalised revenue in the period ended December 2020 was $71.1 million. The company has demonstrated strong revenue growth in the six months ended 30 June 2021, generating $46.4 million of revenue compared to $23.9 million in the six months ended 30 June 2020. Revenue growth from the period ending 31 December 2018 to 30 June 2021 was driven by a mixture of factors including, a high performing back catalogue of games, successful new game releases and outperformance of specific games. Notably, the release of Fall Guys in August 2020, contributed to revenue outperformance in the twelve months ended 31 December 2020.

The Group released 12 games in the twelve months ended 31 December 2018, 14 games in the twelve months ended 31 December 2019, 10 games in the twelve months ended 31 December 2020 and 3 games in the six months ended 30 June 2021 generating approximately $16.4 million, $22.3 million, $168.0 million and $7.4 million of revenue respectively. The Normalised new title revenue in the period ending 31 December 2020 was $29.2 million. In addition to the success of the new game releases, the Group's back catalogue continued to perform strongly, accounting for 60.1 per cent., 61.8 per cent. and 22.0 per cent. of revenue in the twelve months ended 31 December 2018, 2019 and 2020 respectively. The

Normalised back catalogue revenue accounted for 60.5 per cent. of total revenues in the period ending 31 December 2020. In the six months ended 30 June 2021 the back catalogue generated $50.3 million compared to $28.8 million in the six months ended 30 June 2020, accounting for 77.4 per cent. and 94.4 per cent. of revenues, respectively. Growth in back catalogue revenues throughout the stated periods is driven by more titles being added to the portfolio during each period, porting titles to new platforms, localisation of titles to enable them to be release in new geographies and continued marketing of titles.

Devolver released Fall Guys in August 2020, which was an immediate success, generating $150.5 million of revenue in the twelve months to 31 December 2020 and $3.9 million of revenue in the six months ended 30 June 2021. Even without the success of Fall Guys, the Group still generated additional revenue of approximately a further $19.3 million of revenue from the other nine new games releases in the twelve months ended 31 December 2020.

4.1.2 Cost of sales

The cost of sales primarily relates to royalty expenses and development expenses for games, in addition to marketing costs related to the development and publishing of games and a much smaller amount of merchandise costs.

Royalty costs accounted for 76.5 per cent. of the total cost of sales in the twelve months ended 31 December 2018, 75.5 per cent. in the twelve months ended 31 December 2019, 85.1 per cent. in the twelve months ended 31 December 2020 and 72.2 per cent. in the six months ended 30 June 2021. In the twelve months ended 31 December 2020 and the six months ended 30 June 2021 the Group acquired a number of existing development partners eliminating royalty payments for those associated titles, resulting in the Group developing more of their own games compared to historical periods (rather than contracting a developer/publisher to develop the game and paying a royalty for this service). As a result of the Group's scaling and the acquisitions, the development expense within cost of sales accounted for 5.5 per cent. of the cost of sales in the twelve months ended 31 December 2018 and increased to 14.0 per cent. in the six months ended 30 June 2021 as the Group developed more of their own games. These games are also more profitable, with gross margin increasing from 22.1 per cent., in the twelve months ended 31 December 2018, to 24.5 per cent. in the twelve months ended 31 December 2019, 43.1 per cent. in the twelve months ended 31 December 2020 and 33.8 per cent. in the six months ended 30 June 2021. In the periods ending 31 December 2020 and 30 June 2021 the Normalised gross margin was 32.5 per cent. and 33.5 per cent. respectively.

4.1.3 Staff costs

As the Group has grown revenues, the Group recruited in order to continue to build a sustainable business. Headcount has increased from 15 team members as at 31 December 2018 to 20 as at 31 December 2019, 45 as at 31 December 2020 and 172 as at 30 June 2021. The growth in headcount in the 18 months to 30 June 2021 is primarily driven by acquisitions as well as the expansion of Devolver's publishing, corporate and back-office support teams.

Staff costs recorded within overheads as a percentage of total operating expenses amounted to 50.6 per cent. in the twelve months ended 31 December 2018, 54.8 per cent. in the twelve months ended 31 December 2019, 62.6 per cent. in the twelve months ended 31 December 2020 and 79.1 per cent. in the six months ended 30 June 2021. The increase in staff costs as a percentage of operating expenses in 2020 and the first half of 2021 was driven by an increase in exceptional items included within operating expenses relating to share-based payments, founder bonuses and fees and expenses related to pending admission onto AIM.

4.1.4 Other operating expenses

The Group incurred other operating expenses of $2.4 million, $2.7 million and $5.4 million in the twelve months ended 31 December 2018, 2019 and 2020 respectively and $5.7 million in the six months ended 30 June 2021 compared to $1.4 million in the six months ended 30 June 2020. The increase in other operating expenses in the periods ending 31 December 2020

and 30 June 2021 were due to increases in share-based payments and employee benefit expenses.

Other operating expenses include share-based payments, professional fees, office costs, travel costs, insurance, amortisation of IP and other smaller business costs. Other operating costs have increased during the period in line with the Group's growth.

4.1.5 Other income

Other income in the twelve months ended 31 December 2019 and six months ended 30 June 2021 was generated from the sale of own-IP and game publishing rights, which is not a regular source of income for the Group

4.1.6 Adjusted EBITDA

The Group generated Adjusted EBITDA of $4.8 million, $10.6 million and $80.6 million in the twelve months ended 2018, 2019 and 2020 respectively and $118.3 million in the six months ended June 2021 compared to $3.4 million in the six months ended June 2020. The Group generated Normalised Adjusted EBITDA of $5.8 million, $11.6 million and $15.8 million in the twelve months ended 2018, 2019 and 2020 respectively and $12.6 million in the six months ended June 2021 compared to $3.6 million in the six months ended June 2020.

The changes in EBITDA in the periods under review is as a result of the financial performance of the Group as set out above.

4.1.7 Finance income and expenses

During the period from 31 December 2018 to the 30 June 2021 the Group received bank interest and similar income of varying amounts dependent on the Group's cash balance in the respective periods. In the periods, the interest and similar income remained below $0.1 million, except in the twelve months ended 31 December 2020 where the interest and similar income reached $0.1 million. In the twelve months ended 31 December 2020 the company had finance costs of $0.1 million primarily relating to a short-term shareholder loan to facilitate the acquisition of Croteam.

4.1.8 Income tax

In the twelve months ended 31 December 2018, 2019 and 2020 income tax was $1.3 million, $2.5 million and $13.1 million, respectively. In the six months ended 30 June 2021 income tax was $24.2 million. Variances between those periods are related to the change in profit before taxation as a result of the financial performance of the Group as set out above.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on each jurisdiction's applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Consolidated audited cashflows for the years ended 31 December 2018, 2019 and 2020 and consolidated audited cashflows for the six month period ended 30 June 2021 and unaudited six months to 30 June 2020

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Net cash generated by operating activities	7,021	12,507	72,255	(13,801)	7,954
Cash flows from investing activities					
Purchase of intangible assets	(4,604)	(9,452)	(22,175)	(13,761)	(6,893)
Acquisitions of businesses, net of cash acquired	–	–	(3,278)	(25,797)	–
Other	113	–	65	(99)	–
Proceeds from disposal of intangible assets	–	1,900	–	126,900	–
Net cash (used in)/generated from investing activities	(4,491)	(7,552)	(25,388)	87,243	(6,893)
Cash flows from financing activities					
Dividends paid	(375)	–	(10,000)	(30,000)	–
Repurchase of share capital	–	–	(6,000)	(20,837)	(500)
Other	–	–	240	667	240
Net cash generated by/ (used in) financing activities	(375)	–	(15,760)	(50,170)	(260)
Cash and cash equivalents					
Net increase in the year/ period	2,155	4,955	31,107	23,272	801
At 1 January/1 July	5,312	7,467	12,422	43,529	12,422
At 31 December/30 June	7,467	12,422	43,529	66,801	13,223

4.2 **Commentary on principal cashflows**

Cash increased from $7.5 million as at 31 December 2018 to $43.5 million as at 31 December 2020, and then further to $66.8 million as at 30 June 2021 primarily driven by the trading performance of the business.

4.2.1 Cash flows from operating activities

The Group generated positive cash flows from operating activities across the period, with the exception of the six months to 30 June 2021. In the twelve months ended 31 December 2018, 2019 and 2020, the cash flow generated from operations were $7.0 million, $12.5 million and $72.3 million, respectively. In the period from 31 December 2018 to 31 December 2020, the positive cash inflows are primarily driven by the trading performance of the business, in addition to managing the Group's working capital profile which is mainly driven by trade and other receivables. Cash outflows from operating activities in the six months to 30 June 2021 were $13.8 million due to an increase in share-based payments versus prior periods and the exclusion of the sale of publishing rights in the period.

4.2.2 Cash flows from investing activities

The Group incurred losses from cash from investing activities in the period with the exception of the six months ended 30 June 2021. In the twelve months ended 31 December 2018, 2019 and 2020, the losses in cash flows from investing activities were $4.5 million, $7.6 million and

$25.4 million, respectively. In the period from 31 December 2018 to 31 December 2020, the positive cash inflows from investing activities was $87.2 million. The increase in losses in cash from investing activities relates to the purchase of intangible assets, including intellectual property, royalty rights and software development costs throughout the period in line with the Group's growth. In the periods ended 31 December 2020 and 30 June 2021 acquisitions also impacted cash flows from investing activities. Cash flows from investing activities in the six months ended 30 June 2021 were also generated through the sale of game publishing rights, resulting in the material cash inflow versus previous periods.

4.2.3 Cash flows from financing activities

The Group incurred a cash outflow from financing activities of $0.4 million, nil and $15.8 million in the twelve months ended 31 December 2018, 2019 and 2020 respectively and $50.2 million in the six months ended 30 June 2021. In the periods ending 31 December 2020 and 30 June 2021, cash outflows from financing activities were increased as the Group paid a dividends of $10.0 million and $30.0 million respectively and made material repurchases of shares with a value of $6.0 million and $20.8 million, respectively. The dividend payments and share repurchases of this magnitude were one-off in nature, made possible by the success and subsequent cash received from the launch and sale of publishing rights of Fall Guys. In the period ending 31 December 2020 the Group also agreed to a $0.2 million Paycheck Protection Loan, a scheme established by the United States Government to provide economic relief to small businesses that have been adversely impacted by the COVID-19 pandemic.

4.3 **Borrowings**

During the twelve months ended 31 December 2020 the Group secured a shareholder loan to facilitate the acquisitions of Croteam, this loan was repaid within the period. Excluding the Paycheck Protection Loan, there have been no material borrowings in the twelve months ended 31 December 2018, 2019 or in the six months ended 30 June 2021.

4.4 **Dividend policy**

Dividends paid in the twelve months ended 31 December 2020 and the six months ended 30 June 2021 were one-off payments and do not indicate future policy decisions.

The Directors intend to re-invest a significant portion of the Company's cash reserves and earnings to facilitate plans for further growth. Accordingly, whilst the Directors do not expect to declare any dividend in respect of the current financial year ending on 31 December 2021, it is the Board's intention, should the Group generate a sustained level of distributable profits, to consider a progressive dividend policy in future years.

Declaration of dividends will always remain subject to all applicable legal and regulatory requirements and recommendations of final dividends and payments of interim dividends will be at the discretion of the Board. The Board will not exercise such discretion where it is not commercially prudent to do so taking into account the policy set out above. Whilst the Board considers dividends as the primary method of returning capital to Shareholders, it may, at its discretion, consider share purchases when advantageous to Shareholders and where permissible.

The Board may revise its dividend policy from time to time.

4.5 **Off-balance sheet commitments**

Devolver did not have any material off-balance sheet liabilities or other off-balance sheet commitments as at each of the period end dates presented.

4.6 **Quantitative and qualitative disclosures about market risks**

For a description of the Group's management of currency, credit and liquidity risks, see Note 23 of Section B of Part IV: Historical Financial Information.

4.7 **Critical accounting estimates and judgements**

For a description of the Group's critical accounting estimates and judgements and key assumptions used in reaching such estimates and judgements, see Note 3 of Section B of Part IV: Historical Financial Information.

PART III

RISK FACTORS

Investing in and holding Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this document and should pay particular attention to the following risks associated with an investment in the Shares, the Group's business and the industry in which it participates prior to making an investment decision.

The risk factors set out below, which are not set out in any order of priority, apply to the Group as at the date of this document. The risks and uncertainties described below are not an exhaustive list, and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industry in which it participates or an investment in the Shares. They comprise the material risks and uncertainties in this regard that are known to the Group as at the date of this document and should be used as guidance only. Additional risks and uncertainties relating to the Group and/or the Shares that are not currently known to the Group, or which the Group currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Shares may decline and investors could lose part or all of their investment. There can be no certainty that the Group will be able to implement its growth strategy successfully. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives.

Prospective investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for advice if they do not understand any part of this document.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

The Group may not be able to publish successful new titles or enhance existing games

There is no guarantee that the Group will continue with its ability to identify, develop and publish new titles, operating as it does in a highly competitive industry. In this sector, new developments are frequent and there are many game concepts and businesses that prove unsuccessful. If the Group does not release new titles and build on own-IP franchises, then the Group's ability to achieve continued success may be adversely affected. The Group may not be able to adapt to changes in consumer preferences or to maintain consumer engagement in back catalogue titles. In the event that new games and titles are not identified, or are unsuccessful, or if consumer engagement is not maintained in back catalogue titles, financial performance may decline.

To continue to grow the Group may require increased investment in existing games, larger budgets for new titles and additional marketing spend, all of which may adversely affect profitability. Failure to maintain a strong customer base and popularity may result in a significant adverse effect on the Group's revenue and operational success.

Recent acquisitions of development studios may result in the number of own-IP titles published by the Group increasing and there is no guarantee that these titles will be successful. Whilst the Group may benefit from enhanced margins and return on investment on these titles, should they prove unsuccessful the impact on the Group's financial performance may be greater.

The Group is reliant on key strategic relationships with third parties

The Group relies upon existing strategic relationships and forming new ones with other entities in the gaming industry. There can be no assurance that the Group's existing relationships will continue to be maintained or that new ones will be successfully formed.

These relationships include those with digital distribution platforms operated by, *inter alia*, Sony, Microsoft, Nintendo, Epic, Steam, Tencent, Bilibili and app-stores such as App Store (Apple) and Google Play (Google).

The Group also has strategic partnerships with global video games media and streaming services, such as Twitch. The Group considers these relationships to be key to the operation of its business and any significant disruption to those relationships could have a material adverse effect on the Group's financial performance. As the gaming market continues to evolve it is likely that there will be new entrants to the space, and a failure to secure strategic partnerships with any or a number of these businesses may impact the financial performance of the Group in the medium to long term.

If third-party distributors were to remove or materially alter the terms of access to their platforms for whatever reason, including but not limited to operational issues or security breaches, it may restrict end-user access to the Group's games, which may have an adverse impact on the Group's financial performance.

Increased competition for premium positioning on digital marketplaces has enhanced the position of third party platforms, who may seek to negotiate terms that are unfavourable to the Group. Access to digital distribution platforms for consumers is managed by the third-party providers, who may choose to alter the fee structures or pricing for utilising their platform and online networks. This could have a material impact upon the volume of purchases of the Group's games, which would have a corresponding impact upon sales and profitability. If the platform provider establishes terms that restrict the Group's visibility on its platform and/or materially alters the financial terms on which these products or services are offered, the Group's business could be negatively impacted.

The Group may not sustain its growth due to a number of external factors, including being unable to match the pace of technological changes

The Group's operating results could fluctuate as a result of a number of factors, many of which are beyond its control. These factors include the growth rate of the video games market; general economic conditions that impact the video games industry; an increase in competitive pricing pressures within the markets in which the Group operates; and game developers and publishers retaining and expanding their in-house localisation capabilities.

In the past, the launch of the next generation of consoles, has resulted in difficulties for video game developers and publishers. The requirement to adapt its titles to new console launches and technological advances may increase the Group's costs and thus adversely impact its financial performance.

If the Group is not successful in carefully selecting the games that it publishes and develops, it may lose its competitive edge and have a material adverse effect on the revenues it generates from games in an industry with shifting consumer preferences.

The Group may fail to implement its growth strategies successfully

The Company intends to carry out certain growth strategies which are set out in detail in Part I of this document. The Group's operational and financial future success will be dependent to some extent on the successful completion of such growth strategies and the sufficiency of demand for the Group's games. The execution of the Group's expansion strategies may also place a strain on its managerial, operational and financial reserves. Should the Group fail to implement such growth strategies or should there be insufficient demand for the Group's games, the Group's business operations, financial performance and prospects may be adversely affected.

The Group may not be able to identify suitable acquisition targets or successfully integrate recent or future acquisitions

As set out in Part I of this document, the Group has made a number of acquisitions within the twelve months preceding Admission, including Croteam, Good Shepherd, Nerial, Firefly and Dodge Roll. The Group, as part of its growth strategy, intends to expand its business through further strategic acquisitions of complementary IP, technologies, development studios or service providers, to the extent that suitable opportunities arise and are identified. There is no guarantee that the Group will identify suitable acquisitions or opportunities, obtain the financing necessary to complete such acquisitions or acquire businesses on satisfactory terms.

There can be no certainty that any business acquired by the Group will prove to be accretive to earnings or make a positive financial contribution to the Group. The acquisition and integration of independent companies is a complex, costly and time-consuming process involving a number of possible problems and risks. Failure to integrate recent or future acquisitions successfully could have a material adverse effect on

the results of operations or financial condition of the Group, including issues associated with assimilating new personnel, unforeseen or hidden liabilities and diversion of attention and resources.

The success of Fall Guys was a key source of revenue for the Group and may not be repeated

Fall Guys launched in August 2020 and generated a significant amount of revenue in the year to 31 December 2020. It has been the Group's highest performing game by far and has been a key driver in the Group's growth. In March 2021, the Group sold the publishing rights to *Fall Guys* to Epic Games. Devolver has retained the merchandising rights for *Fall Guys* for six years. Any sales relating to *Fall Guys* in future will therefore relate solely to merchandising income and will therefore be significantly lower than previously. There can be no guarantee that the Group will ever publish a title as successful as *Fall Guys* again and that the success of *Fall Guys* may be a one off.

Large, one-off licensing and exclusivity fees, or development fees recognised on completion of milestones can create uneven revenue and cash flows.

Over recent financial periods the Group has increased the amount of fees that it receives from certain arrangements whereby fees are received in lump sums. These include licensing fees, from gaming subscription services for the right of use of Devolver games on their platform, exclusivity fees, that are up-front payments that guarantee exclusivity on a platform, and development fees, that are received for reaching contractually agreed milestones or adapting existing games for new platforms.

These irregular payments could lead to uneven revenues and cashflows for the Group, which may result in operational difficulties due to timings of payments of liabilities and other obligations falling due.

Devolver's releases may be weighted towards the second half of the year, which increases the risk of a title slipping into the following financial period

Due to a number of factors, including the impact of seasonality on optimising game release schedules, Devolver may choose to release more titles in the second half of the financial year than the first.

A weighting towards the second half of the year, particularly the fourth quarter of the year, increases the risk that a title may slip into the following financial period. This could have a significant impact upon the financial performance of the Group in any given period. Revenues and profits may be delayed to the following financial period, or reduced overall.

The pipeline of new titles generally has larger development and marketing budgets than previous titles

As the Group grows, development and marketing expenditure in relation to the pipeline titles will likely be, on average, larger than historic releases. As part of its growth strategy, the Group intends to increase investment in its games.

The increase in development and marketing spend increases the risk that developer advances may not be recovered if the title is not a commercial success.

Increasing development and marketing spend may also lead to an increase in concentration risk, subsequently resulting in the possibility that the commercial failure of a single game could materially reduce the Company's forecast revenue.

New models may restrict the Group's game sales

There has been a notable increase in recent years in subscription-based gaming models such as, *inter alia*, PlayStation Now, Google's Stadia, Apple Arcade and Microsoft Game Pass, whereby players pay a monthly fee for access to a range of games. In order to secure exclusive content to attract consumers to the platform, platforms will often partially or fully fund a game's development costs in return for exclusive distribution rights for the title for a fixed period post-launch. In the event that Devolver adopts this distribution model, it may limit the financial upside for highly successful games until the exclusivity agreement expires.

The Group uses the services of third party developers for many of its games

The Group uses the services of external developers to develop many of the games it publishes, which entails a number of risks to its operations. There is significant demand in the industry for the services of high-quality developers, and the Group has diminished visibility and control over the commitments of external developers or the progress of their development schedules, as compared to internal developers.

Prepaid expenses in the form of developer advances are used to fund development studios in producing titles. Despite prudent planning, games may not generate enough revenue to cover these advances, which may require the Group to write off development assets.

External developers may have constrained financial resources, inadequate business acumen, or may lose key personnel, which the Group has limited control over. Ultimately, this could result in the external developer unable to fulfil its financial commitments, leading to the developer going out of business before completing titles, or require additional funding from the Group.

Developers that the Group engages with, including those that the Group has a successful history with, may be acquired by a competitor, or may enter into exclusive development agreements with such competitors. In either case, this would restrict the ability of the developers to continue to perform services for the Group, except for instances where the developers are contractually required to complete development.

Successful titles developed by external developers will enhance the profile of such developers and there is a risk that studios who have worked with the Group previously may engage with a competitor, or seek to renegotiate more favourable terms with the Group.

The Group may be unable to protect its intellectual property or could be sued for the infringement of third party intellectual property

The Group's continuing success is dependent to an extent on its ability to protect and register IP rights. The Group endeavours to protect its own rights through registered trademarks, confidentiality agreements and robust employment contracts. However, there is an inherent risk that individuals may assert that the Group's games infringe their proprietary rights; even if such claims are without merit, it could cause the Group significant costs in defending such a claim.

The Group's continuing success will depend on its ability to operate without violating the IP rights of others. Whilst the Group takes precautions to minimise the risk of any infringement of third-party IP, there can be no assurance that Group's current or future games do not infringe any proprietary rights of others. Thus, the Group may need to engage in litigation to defend itself against any such claims. Litigation is inherently expensive and time consuming and even if the outcome of litigation is ultimately favourable to the Group, litigation can result in the diversion of substantial resources from the Group's other activities as well as exposing the Group to adverse publicity and reputational risk. Disputes relating to contested IP rights and related litigation may therefore have a material adverse effect on the Group's business, financial condition and/or operating results.

The Group is reliant on third party software and other third party IP which is subject to licences

Like most businesses in the gaming sector, the Group relies upon third party software when developing new games. In particular, certain games are developed on the Unity game engine and the Unreal Engine 4 game engine, both of which are used under licence. If the Group's game studios are prevented from using these game engines under licence, development of new games may be significantly disrupted. In addition, certain games in the Group's catalogue depend on licences of a third party's IP. By way of an example, Nerial's Game of Thrones version of Reigns licenses the content and characters from HBO's well-known Game of Thrones franchise. If Nerial is unable to continue licensing HBO's IP, it may not be possible to continue commercialising the Reigns / Game of Thrones cross-over product or developing further such products. The Group is dependent on other such licences with third parties, including Disney, Tik Tok and Tea Time Pictures for both existing and upcoming games for which development budget has been committed. In the event that any of these licences are revoked or terminated, it may not be possible to develop a planned game in its current format and development costs may not be recoverable.

Some of the Group's contracts with third parties contain onerous or unfavourable terms

Certain of the contracts which members of the Group have entered into contain onerous or unfavourable terms, including in a number of distribution agreements to which the Company is a party. These pose likely unavoidable risks given that these agreements are with major platforms and are substantially governed under the respective distributor's terms. Under the distribution agreements with Valve, Tencent, Apple, NetEase, Bilibili and Sony (PlayStation), the Company makes broad representations and warranties with respect to the Company's intellectual property (which generally includes any third party intellectual property that may be incorporated in such game software for the games), including uptime availability of their games and/or their games being "virus free". In this example, in the event that there is a "virus" or the like, it would be considered a breach of the distribution agreement. In the event that the Company is unable to remedy the breach in the designated time, it would give grounds for the counterparty to terminate the agreement, which would result in the Company having to withdraw the game from the relevant platform. In the event any breach gives rise to a third party claim, such as an intellectual property infringement claim, the Company is required to indemnify the distributor from such claims, with no cap as to the extent of the Company's liability. Any claim of significant quantum under the uncapped indemnity may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and also the Group's relationship with the relevant platform. In addition to these terms, pursuant to certain contracts, the distributors Valve Corporation, Tencent Games, Google, Ubisoft and Microsoft have the right to terminate the relevant agreements with respect to their distribution of the games at any time and for any reason upon notice to the Company. Certain distributor agreements also contain caps on the distributor's liability which may be far lower than any actual loss incurred by the Group. In each such case, the Directors believe that such risks are largely unavoidable and are commonplace in the gaming industry, given that these agreements are with major global counterparties and are substantially governed by such counterparty's terms.

The Group is dependent on its Directors, executive officers and senior management

The successful operation of the Group relies partly on the efforts and abilities of its Directors, executive officers and senior management. Their knowledge, expertise and experience are key contributors to the continued success of the business. The failure to retain the services of any of the Directors, executive officers or senior management could have a material adverse effect on the Group's profitability.

The Group may be unable to recruit and retain skilled personnel in a competitive marketplace

The success of the Group's business and revenues depends upon the talent and skills of its personnel. It may prove increasingly difficult in a fast-growing competitive industry to recruit highly experienced employees. The Group's production, development and marketing teams possesses key skill sets that are essential to the success of the business. Should the Group no longer be able to retain such employees and/or attract new employees, the Group's business, revenues and prospects could suffer significantly.

Similarly, the Group may be unable to retain the key personnel and employees it already has. Like any other business operating in a competitive market place, there is always a risk that employees may leave to join competitors or else set up competing businesses to Devolver's. This risk is facilitated by the fact that many of the Group's employees located in the United States do not have notice periods in their employment contracts, meaning that they are able to leave the Group very quickly should they wish to do so. Any loss of employees in this way, especially key employees, may negatively impact the Group's immediate business until suitable replacements can be found.

The cost and effectiveness of Devolver's marketing may change

As the gaming industry becomes increasingly competitive, the success of the Group depends on the maintenance, development and enhancement of the Group's brand. If this is not possible, the Group's ability to implement its strategy and to retain and acquire customers may be hampered and, in turn, the Group's financial performance may be affected.

As marketing in the industry becomes more competitive, the cost of such marketing activities could significantly increase. It is also possible that the marketing campaigns do not have the desired impact on sales. The impact of increasing costs associated with marketing could materially adversely affect the operations, financial performance and prospects of the Group.

One of the Group's subsidiaries, Artificer, has a call option outstanding over 5 per cent. of its share capital. If it were to be exercised, the Group's interest in the share capital of Artificer (including its voting and economic rights) would be reduced commensurately

Pursuant to the Artificer Call Option Agreement which was made between (i) Gambitious and (ii) Trousdale Games I, LLC ("**Trousdale**"), Gambitious (also known as Good Shepherd) granted Trousdale the call option to purchase five percent of the shares it holds in the issued share capital of Artificer at a purchase price of PLN 250.00 in total from Gambitious (the "**Call Option**"). The Call Option may not be partially exercised, is still outstanding and may be exercised by Trousdale at any time until 20 March 2029. Trousdale may relinquish the Call Option if it wishes to do so by written notice.

Artificer is currently 85 per cent. owned by Gambitious and 15 per cent. owned by Kacper Szymczak. Gambitious is 100 per cent. owned by Devolver Digital. In the event that the Call Option is exercised by Trousdale, Artificer will be owned 80 per cent. by Gambitious, 15 per cent. owned by Kacper Szymczak and 5 per cent. owned by Trousdale, thereby diluting the Group's economic interest and shareholding in Artificer. Any such reduction will entail a corresponding reduction in the Group's rights which attach to those shares, including its dividend distribution rights, voting rights, rights to share in Artificer's profits and capital, and rights upon liquidation, dissolution or winding-up.

Employees may acquire employment rights in multiple jurisdictions

The Group has certain employees directly engaged by foreign entities and working remotely in several jurisdictions, including Canada, China, Taiwan and the UK. Engaging workers remotely may not be permissible in some jurisdictions and may create doing business / permanent establishment risks for the employing entity, as well as creating tax and social security obligations in the local jurisdiction. Depending on the circumstances and on local laws, employees may also acquire employment rights in multiple jurisdictions.

Certain independent contractors or subcontractors may be incorrectly classified as such

The Group engages approximately 76 independent contractors or subcontractors internationally for various services connected to it business. Based on the services provided, and the length of service the contractors have provided, some of the contractors and subcontractors may potentially be misclassified under local tax and employment laws. If contractors have been misclassified, this may give rise to employee and/or worker-status based claims and the risk of enforcement by local tax authorities and demands for unpaid income tax and/or social security contributions, together with penalties and interest. There may also be compliance requirements on the engaging Group entity, depending on local laws and the structure of the engagement.

The business is dependent on security, integrity and operational performance of its IT systems

The Group, as with the video games industry as a whole, is vulnerable to the breach of its IT security and systems. The Group relies upon the availability and functionality of the IT systems in place to continue the operations of the business.

The Group is aware of the ongoing risk posed by potential IT security breaches to its IT infrastructure during the ongoing development and publication of games. The unavailability of the Group's IT systems may have a substantial negative effect on the Group's ability to publish and generate revenue from future and existing titles, impacting upon the financial performance of the Group. Whilst the Group has disaster recovery policies in place, such policies cannot be guaranteed to prevent business interruption and prevent a level of impact to business operations that may in turn reduce profitability. The Group's periodic penetration testing may not prevent such a breach occurring.

The Group may unwittingly release defective titles

The Group cannot guarantee that defects will be detected and solved in the games that it publishes. Although quality checks are carried out on the games that the Group publishes and develops, there is no certainty that issues will be located or resolved. The result of publishing defective products may have immediate negative impacts upon operational results, as well as consequential reputational damage to the Group. Such incidents could significantly damage the Group's prospects.

The Group is subject to the risk of software piracy

In addition to the risk of IT security breaches, the Group is subject to the threat of unauthorised copying and software piracy of it games. The Group's games are typically subject to copy protection technology or other technological protection measures intended to prevent software piracy. However, the protection is ordinarily added to the Group's products by the digital platforms rather than by the Group itself and these measures may not be adequate to fully protect against piracy. Unauthorised copying of the Group's own-IP, or games published by the Group for which the Group may be entitled to revenue-based royalties, could have an adverse effect on the Group's ability to generate revenues and profits. Complete protection cannot be guaranteed and unauthorised copying and software piracy could cause significant disruption to the Group's operations.

The Group may suffer data privacy compliance breaches and may be unable to protect confidential information

The Group must ensure ongoing compliance with various data protection laws, including the UK's Data Protection Act 1998, the General Data Protection Regulation (Regulation (EU) 2016/679) ("**GDPR**"), the Privacy and Electronic Communications (EC Directive) Regulations 2003, the U.S. Children's Online Privacy Protection Act, which regulate the collection, use, and disclosure of personal information from children under 13 years of age, and the California Consumer Privacy Act, among others. Where the Group holds personal data of the end-users, employees and other individuals it is under an obligation to protect it. Some personal information that the Group holds in respect of its employees, end users or other individuals would be subject to the GDPR and the other laws described above. There is an inherent risk that such data could be processed by the Group in a manner which is in breach of the relevant data protection legislation. Failure to comply with any of these laws or regulations may increase the Group's costs, subject the Group to expensive and distracting government and regulatory investigations, result in substantial fines, or result in lawsuits and claims against the Group to the extent these laws include a private right of action and it may also result in damage to the Group's reputation further impacting the Group's revenue.

In addition, the regulatory landscape applicable to how the Group manages and processes personal data is changing. For example, the U.S. Government, including the Federal Trade Commission and the Department of Commerce, continue to review the need for greater or different regulation over the collection of personal information and information about consumer behaviour on the internet and on mobile devices, and the U.S. Congress is considering a number of legislative proposals to regulate in this area. Various government and consumer agencies worldwide have also called for new regulation and changes in industry practices. It is also probable that the UK's data protection laws may change following its withdrawal from the European Union. Further, and most notably in the mobile ecosystem, companies that provide the platforms on which the Group's games are played are changing the terms on how publishers can collect and use personal data obtained from users on those platforms. There can be no guarantee that the Group will be in compliance with these changes when enacted.

Evolving industry regulation may be costly to comply with

The video games industry is subject to a number of laws and regulations, in particular those relating to consumer protection, also covering but not limited to information given to consumers on the rules of use and content of games, the classification of games in accordance with age-rating, the protection of consumers' personal data when this data is collected and the protection of minors (notably by setting up parental consent procedures). Compliance with such laws and regulations (and any future laws and regulations) could be time consuming and costly and could have an impact on the financial performance of the Group.

The Group is subject to the global economic and political landscape

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors in jurisdictions in which it operates. As a global business, the Group is exposed to worldwide macroeconomic and political risks. These risks and uncertainties include, but are not limited to: international trade disputes; pandemics or other global health related incidents; inflation; labour unrest; risk of war or civil unrest; changes in taxation policy; international sanctions, terrorist activities and extreme fluctuations in currency exchange rates.

Economic decline either globally or locally in any area in which the Group operates may have a negative effect on the demand for the Group's products. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Company's ability to generate a profit.

The Group's second largest market is in Asia, where there is growing demand for games, but there can be no guarantee that this growth will continue and may be reduced by, for example, interventionist laws and regulations

Asia is now Devolver's second largest market by Steam unit sales, at 26 per cent. of units sold. Growth to-date has been driven by demand in the region, rather than any targeted campaigns. User bases have grown with limited input from the Group, and Asia Pacific continues to represent a significant opportunity. However, there can be no guarantee this demand will continue. In China, for example, recent rules have sought to curb the exposure under-18s have to video games, restricting them to playing online games for one hour on Fridays, weekdays and holidays between 8PM and 9PM. Online gaming companies have been barred from providing gaming services to minors in any form outside those hours and would need to ensure they had put real name verification systems in place. This comes further to legislation in 2018 where regulators in China halted the issuance of video game licences. Whilst these restrictions affect only free-to-play games rather than the premium titles which Devolver predominantly distributes, the Group's addressable market in China may be reduced by any similar future measures.

The Group is subject to foreign-exchange risk

Certain of the Group's costs (including salary and wages for employees based in Europe and the rent of facilities there) are incurred in a foreign currency (i.e. euros). The Group maintains euro-denominated bank accounts to facilitate these payments. Costs incurred in these entities are transferred at spot rates, the Group has not historically used forward contracts to hedge against these payments. The Group is therefore exposed to foreign-exchange risk and the costs of the Group may therefore increase in the event that there are material negative changes in the Dollar-Euro exchange rate.

The Company has substantial shareholders

The Company considers the Existing Founders to be acting in concert for the purposes of the provisions in the Certificate of Incorporation which emulate certain aspects of the Takeover Code. The Concert Party will hold, in aggregate, 39.0 per cent. of the Enlarged Share Capital on Admission with one of the Existing Founders, Harry Miller, who is also a Director and the Executive Chairman of the Company holding 22.2 per cent. of the Enlarged Share Capital on Admission.

Should the Existing Founders act in concert and vote together, they will be able to exercise substantial control over a number of matters requiring shareholder approval.

The Group is subject to general litigation risks

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

The Group's insurance may not be adequate to cover all losses

Whilst the Group maintains insurance that it considers adequate in terms of scope, with liability limitation levels which exceed the required coverage levels set out in all agreements with its customers, there are limitations on the total coverage for all aspects of the insurance policies, including for professional indemnity claims. The Group will be responsible for any claims over and above the coverage limits and for any claims which are not covered by the Group's insurance policies.

The Group may not be able to secure adequate financial resources in order to carry out its strategy

The Group's future capital requirements will depend on numerous factors, including the success of the games it develops, potential hires, acquisitions and the execution of the Group's growth strategy as stated in Part I. In the future the Group may require additional funds and may attempt to raise such funds through

equity or debt financings or from other sources. Any additional equity financing may be dilutive to the holders of Shares and any debt financing, if available, may require restrictions to be placed on the Group's future financing and operating activities. The Group may be unable to obtain additional financing on acceptable terms if market and/or economic conditions, the financial condition or operating performance of the Group or investor sentiment are unfavourable. The Group's inability to raise further funds may hinder its ability to grow in the future.

The Group may never pay dividends

The Directors do not intend to distribute dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the Directors, and will depend upon, among other things, the results of the Group's operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no guarantee that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

The Group's financial statements contain certain estimates

Preparation of consolidated financial statements will require the Group to use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. If the estimates and assumptions made are inaccurate, the Group could be required to write down the value of certain assets. On an ongoing basis, the Group will re-evaluate its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions. Further information on the basis on which the Historical Financial Information in Part IV of this document has been prepared can be found in the notes to the Historical Financial Information.

GENERAL RISKS RELATING TO THE SHARES AND THE PLACING

The Shares may be subject to price volatility and liquidity problems

AIM is a trading platform designed principally for growth companies, and as such, tends to experience lower levels of trading liquidity than larger companies quoted on the Official List of the FCA or some other stock exchanges. Following Admission, there can be no assurance that an active or liquid trading market for the Shares will develop or, if developed, that it will be maintained. The Shares may therefore be subject to large fluctuations on small volumes of shares traded. As a result, an investment in shares traded on AIM carries a higher risk than those listed on the Official List.

Prospective investors should be aware that the value of an investment in the Group may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Group. There can be no guarantee that the value of an investment in the Group will increase. Investors may therefore realise less than, or lose all of, their original investment. The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Shares are quoted and the price which investors may realise for their Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group and its operations. These factors include, without limitation, (i) the performance of the overall stock market, (ii) large purchases or sales of Shares by other investors, (iii) financial and operational results of the Group, (iv) changes in analysts' recommendations and any failure by the Group to meet the expectations of the research analysts, (v) changes in legislation or regulations and changes in general economic, political or regulatory conditions, and (vi) other factors which are outside of the control of the Group.

Shareholders may sell their Shares in the future to realise their investment. Sales of substantial amounts of Shares following Admission and/or termination of the Lock-in and Orderly Market Deeds, or the perception that such sales could occur, could materially adversely affect the market price of the Shares available for sale compared to the demand to buy Shares. There can be no guarantee that the price of the Shares will reflect their actual or potential market value or the underlying value of the Group's net assets and the price of the Shares may decline below the Placing Price. Shareholders may be unable to realise their Shares at the quoted market price or at all.

There is general inherent investment risk

An investment in a quoted company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time or to lose their investment principal. While various investment opportunities are available, potential investors should consider the risks that pertain to professional services companies in general.

The Placing Price may not accurately reflect the market value of a Share

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

Shareholders may suffer future dilution

If the Company were to offer equity securities for sale in the future, Shareholders not participating in these equity offerings may be diluted and pre-emptive rights may not be available to certain Shareholders. The Company may also in the future issue Shares, warrants and/or options to subscribe for new Shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. The exercise of such warrants and/or options may also result in dilution of the shareholdings of other investors.

On Admission, in addition to the Fundraising Shares, the Company will also be issuing the Contingent Consideration Shares to the sellers of certain companies recently acquired by the Company (being, the Dodge Roll Sellers pursuant to the Dodge Roll SPA; (ii) the Firefly Sellers pursuant to the Firefly SPA; and (iii) the Nerial Sellers pursuant to the Nerial SPA) which will be immediately dilutive to Shareholders. Details of the Contingent Consideration Shares are set out in paragraph 11 of Part I of this document. The Company will also be issuing the Options Shares and the Options Sale Shares, neither of which form part of the Existing Share Capital.

It is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that, such an issue of Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Shares structured as a pre-emptive offer.

In addition, the laws of certain jurisdictions may restrict the Company's ability to permit the participation of Shareholders in future offerings or in the exercise of pre-emptive rights provided in the Bylaws. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Shares are registered under the US Securities Act and qualified under applicable US state securities laws, or the rights and Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and the qualification requirements of applicable US state securities laws. Any Shareholder who is unable to participate in future equity offerings or to exercise pre-emptive rights will suffer dilution.

There is no prior market for the Shares

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

There is no guarantee that the Company's Shares will continue to be traded on AIM

The Company cannot assure investors that the Company's Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Shares traded on AIM could decline.

Application of the proceeds from the Fundraising may not increase the Company's profits or Share price

There is no guarantee that the use of net proceeds described in paragraph 14 of Part I 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.

Changes in Taxation may affect the Group and Shareholders

Any change in the Company's or its subsidiaries' tax status or in tax legislation could affect the Company's ability to provide returns to shareholders. Statements in this document in relation to tax and concerning the taxation of investors in Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the specific circumstances of the relevant investor. The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

There are additional costs of being a quoted company

As a quoted company, the Company will be required to comply with certain additional laws, regulations and requirements, including the requirements of AIM. Complying with these laws, regulations and requirements will occupy a significant amount of the time of the Board and management and will increase the Company's costs and expenses. The Company expects that compliance with these laws, regulations and requirements will increase its legal and financial compliance costs and may require it to hire additional personnel or consultants. The Company cannot predict or estimate the amount of additional costs which it may incur or the timing of such costs.

RISKS RELATING TO INCORPORATION IN THE STATE OF DELAWARE AND CERTAIN PROVISIONS OF THE COMPANY'S CONSTITUTIONAL DOCUMENTS

The Company and transactions involving its Shares are not subject to the UK Takeover Code

The Company is incorporated in and subject to the laws of the State of Delaware in the United States. Accordingly, the Company and transactions in its Shares are not subject to the provisions of the Takeover Code. The Company has taken steps to adopt provisions similar to Rule 9 of the Takeover Code in its Certificate of Incorporation. Further details of these provisions are set out in paragraph 21 of Part I of this document. Despite these steps, there is no assurance that the courts of the State of Delaware will uphold or allow the enforcement of these provisions.

There may be difficulty in enforcing UK judgements in the US and US judgements in the UK

The Company is incorporated under the laws of the State of Delaware. There is no convention or treaty between the US and the UK governing the recognition and enforcement of judgments. A US judgment cannot be automatically enforced in the UK and vice versa. The only way to enforce a US judgment in the UK is to treat the US judgment as a debt and make a claim in court. A UK judgment may be enforced against a US company in the UK, provided the US company has assets in the UK.

Restrictions on transfer under the US Securities Act

The Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares to be offered and sold in reliance on Regulation S are being offered and sold only outside the United States to persons who are not US Persons or acting for the account or benefit of any US Persons in "offshore transactions" (as defined in Regulation S) in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3), or Category 3, of Regulation S. The Placing Shares to be offered and sold to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in and in reliance on Rule 144A under the

US Securities Act ("**Rule 144A**") are being offered and sold within the U.S. in accordance with Rule 144A and Section 4(a)(2) of the US Securities Act. Accordingly, the Shares are "restricted securities" as defined in Rule 144 under the US Securities Act. Purchasers of the Placing Shares sold in reliance on Regulation S may not offer, sell, pledge or otherwise transfer Placing Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to an "offshore transaction" meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to another exemption from the registration requirements of the US Securities Act. The Company is under no obligation, and does not intend to register or qualify the Placing Shares under the US Securities Act or applicable securities laws of any state or other jurisdiction of the United States.

The Company can give no assurances that an exemption from registration or qualification will be available for any resales or transfers of Placing Shares. In addition, the Placing Shares offered and sold in reliance on Regulation S are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, offering restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Shares. All Shares are subject to these restrictions until at least the expiry of the Distribution Compliance Period. The Company currently intends that these restrictions will remain in place indefinitely.

The Shares will be subject to a legend describing restrictions on offers, resales and transfers to, or for the account or benefit of, US Persons and prohibiting hedging transactions in the Shares unless in compliance with the US Securities Act. Each subscriber for Shares, by subscribing for such Shares, agrees to reoffer or resell the Shares only pursuant to registration under the US Securities Act and qualification under applicable US state securities laws or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such Shares unless in compliance with the US Securities Act. Certifications, acknowledgements and agreements must be made through the CREST system by those acquiring the Shares (represented by the Depositary Interests) or withdrawing the same from CREST. If such Certifications, acknowledgements and agreements cannot be made or are not made, settlement through CREST will be rejected.

Furthermore, Subscription Shares, Shares previously acquired pursuant to an exemption from registration under the US Securities Act and Shares held by Affiliates of the Company shall be held in either certificated or uncertificated form registered in the name of such holders on the share register and subject to restrictive legends prohibiting transfer without the authorization of the Company. Accordingly, settlement shall not be permitted via CREST until such time as the restrictions are no longer applicable. The above restrictions may severely restrict purchasers of Shares from reselling the Shares. The Shares will not be admitted for trading on any US securities exchange in connection with the Placing. For further information regarding the significant restrictions on resale and transfer applicable to the Shares, please see Part VII of this document.

SEC review of the Euroclear electronic settlement procedures for securities offered and sold pursuant to Category 3 of Regulation S

Following Admission, holders of Shares held outside of CREST may choose to convert the Shares into Depositary Interests for the purpose of secondary trading on the CREST automated book entry system managed and operated by Euroclear UK & Ireland to the extent such secondary trading constitutes an "offshore transaction" for purposes of Regulation S and no other transfer restrictions apply to such Shares. Because the Company is a US "domestic issuer" under the US Securities Act, the Placing Shares to be sold in reliance on Regulation S qualify as Category 3 securities under Rule 903 of Regulation S. Category 3 securities are subject to strict transfer restrictions (the "**Transfer Restrictions**") and must bear certain legends so that counterparties in the secondary market for the Shares can determine whether any particular offer and resale complies with the resale safe harbour under Regulation S (see Part VI of this document). Pursuant to EU regulatory requirements regarding the clearance and settlement of securities traded on regulated markets, Euroclear UK & International established procedures designed to facilitate the trading of dematerialised Category 3 securities in accordance with the Transfer Restrictions applicable to resales of such securities (the "**Procedures**"). The commissioners and staff of the SEC have thus far declined requests to express any view, and have not in fact expressed any view, on the sufficiency of the Procedures for the purpose of complying with the Transfer Restrictions. There is therefore a risk that the SEC may determine the Procedures to be insufficient for the purpose of complying with the Transfer Restrictions. If this were to occur, the SEC could make a determination that the Company did not comply with the requirements of Regulation S. Although the outcome of such a determination is difficult to predict, the secondary market in

the Shares could be adversely affected. The Company may be required to register the Shares with the SEC, which would entail significant expense to the Company and a significant amount of time on behalf of the Directors and senior managers. Furthermore, the Company and the Directors could also be subject to criminal, civil or administrative proceedings.

PART IV

HISTORICAL FINANCIAL INFORMATION

Section A Accountant's Report on the Historical Financial Information

The Directors
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Date: 29 October 2021

Dear Sir/Madam

Devolver Digital, Inc (the Company) and its subsidiary undertakings (together, the Group) – Accountant's Report on Historical Financial Information

We report on the Group historical financial information set out in Section B of Part IV of the Company's AIM admission document dated 29 October 2021 (the **Admission Document**), for each of the three years ended 31 December 2020 and the six months ended 30 June 2021 (the **Historical Financial Information**).

We have not audited or reviewed the financial information for the six months ended 30 June 2020 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 30 June 2021, and of its results, cash flows, statement of comprehensive income and changes in equity for each of the three years ended 31 December 2020 and the six months ended 30 June 2021 in accordance with International Financial Reporting Standards adopted by the United Kingdom.

Responsibilities

The directors of the Company are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the United Kingdom.

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

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

Basis of preparation

The Historical Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the Historical Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Group in accordance with relevant ethical requirements, which in the United Kingdom is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical 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 other jurisdictions 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from the date of the Admission Document for which the Historical Financial Information and this report were prepared.

In forming our opinion on the Historical Financial Information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Historical Financial Information is appropriate.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes 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

GRANT THORNTON UK LLP

Section B Historical Financial Information

Consolidated Statement of Profit or Loss

	Note	*Year ended 31 December 2018* *$'000*	*Year ended 31 December 2019* *$'000*	*Year ended 31 December 2020* *$'000*	*Six months ended 30 June 2021* *$'000*	*Six months ended 30 June 2020 (unaudited)* *$'000*
Revenue	5	42,472	58,749	212,738	46,443	23,855
Cost of sales		(33,069)	(44,328)	(121,045)	(30,727)	(17,942)
Gross profit		9,403	14,421	91,693	15,716	5,913
Administrative expenses		(4,957)	(6,033)	(14,533)	(27,408)	(2,699)
Other income	6	–	1,900	–	115,280	–
Operating profit	8	4,446	10,288	77,160	103,588	3,214
Finance income	9	22	61	101	25	50
Finance costs	10	–	–	(104)	–	–
Profit before taxation		4,468	10,349	77,157	103,613	3,264
Income tax expense	11	(1,300)	(2,491)	(13,064)	(24,162)	(834)
Profit for the year/period		3,168	7,858	64,093	79,451	2,430
Profit for the year/period is attributable to:						
Equity holders of the parent		3,168	7,858	64,093	79,555	2,430
Non-controlling interests		–	–	–	(104)	–
		3,168	7,858	64,093	79,451	2,430
Basic earnings per share ($)	12	0.32	0.79	6.42	7.84	0.24
Diluted earnings per share ($)	12	0.32	0.76	6.10	7.23	0.23
Non-GAAP measures						
Adjusted EBITDA*	13	4,802	10,634	80,573	118,332	3,408

*Adjusted EBITDA is a non-GAAP measure and is defined as earnings before interest, tax, depreciation, amortisation (excluding amortisation of capitalised software development costs) and share-based payment expenses.

Consolidated Statement of Comprehensive Income

	Note	*Year ended 31 December 2018* *$'000*	*Year ended 31 December 2019* *$'000*	*Year ended 31 December 2020* *$'000*	*Six months ended 30 June 2021* *$'000*	*Six months ended 30 June 2020 (unaudited)* *$'000*
Profit for the year/period		3,168	7,858	64,093	79,451	2,430
Other comprehensive income:						
Items that will be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations		–	–	–	(36)	–
Total comprehensive income for the year/period		3,168	7,858	64,093	79,415	2,430
Total comprehensive income is attributable to:						
Equity holders of the parent		3,168	7,858	64,093	79,519	2,430
Non-controlling interests		–	–	–	(104)	–
		3,168	7,858	64,093	79,415	2,430

Consolidated Statement of Financial Position

	Note	As at 1 January 2018 $'000	As at 31 December 2018 $'000	As at 31 December 2019 $'000	As at 31 December 2020 $'000	As at 30 June 2021 $'000
ASSETS						
Non-current assets						
Intangible assets						
– goodwill	14	–	–	–	159	40,117
– other intangible assets	14	5,133	7,022	12,962	51,573	80,692
Property, plant and equipment	15	–	–	–	52	188
Investments	16	–	–	–	1,294	–
Deferred tax assets	24	–	–	–	362	1,642
Total non-current assets		5,133	7,022	12,962	53,440	122,639
Current assets						
Trade and other receivables	19	4,925	5,706	8,399	15,847	9,702
Current tax asset		–	–	–	361	569
Cash and cash equivalents	20	5,312	7,467	12,422	43,529	66,801
Total current assets		10,237	13,173	20,821	59,737	77,072
TOTAL ASSETS		15,370	20,195	33,783	113,177	199,711
EQUITY AND LIABILITIES						
Equity						
Share capital	26	1	1	1	1	1
Share premium	26	2,927	2,927	2,927	–	35,846
Translation reserve		–	–	–	–	(36)
Retained earnings		6,195	9,565	17,714	71,512	135,290
Capital and reserves attributable to owners of the parent		9,123	12,493	20,642	71,513	171,101
Non-controlling interest		–	–	–	–	(104)
Total equity		9,123	12,493	20,642	71,513	170,997
Non-current liabilities						
Deferred tax liabilities	24	–	101	171	–	382
Trade and other payables	22	–	–	–	920	10,024
Total non-current liabilities		–	101	171	920	10,406
Current liabilities						
Trade and other payables	22	5,467	7,237	12,061	40,388	11,104
Loans and borrowings	21	–	–	–	240	288
Current tax payable		780	364	909	116	6,916
Total current liabilities		6,247	7,601	12,970	40,744	18,308
Total liabilities		6,247	7,702	13,141	41,664	28,714
TOTAL EQUITY AND LIABILITIES		15,370	20,195	33,783	113,177	199,711

Consolidated Statement of Changes in Equity

	Share capital $'000	*Share premium $'000*	*Translation reserve $'000*	*Retained earnings $'000*	*Total equity Devolver $'000*	*Non-Controlling Interest $'000*	*Total equity $'000*
Balance at 1 January 2018	1	2,927	–	6,195	9,123	–	9,123
Profit for the year	–	–	–	3,168	3,168	–	3,168
Share-based payments	–	–	–	202	202	–	202
Total transactions with owners	–	–	–	202	202	–	202
Balance at 31 December 2018	1	2,927	–	9,565	12,493	–	12,493
Profit for the year	–	–	–	7,858	7,858	–	7,858
Transactions with owners in their capacity as owners:							
Capital contribution	–	–	–	100	100	–	100
Share-based payments	–	–	–	191	191	–	191
Total transactions with owners	–	–	–	291	291	–	291
Balance at 31 December 2019	1	2,927	–	17,714	20,642	–	20,642
Profit for the year	–	–	–	64,093	64,093	–	64,093
Transactions with owners in their capacity as owners:							
Dividends	–	–	–	(10,000)	(10,000)	–	(10,000)
Issue of shares	–	20,867	–	–	20,867	–	20,867
Re-purchase of shares	–	(6,000)	–	–	(6,000)	–	(6,000)
Shareholder share buy-back	–	(17,794)	–	(3,042)	(20,836)	–	(20,836)
Share-based payments	–	–	–	2,747	2,747	–	2,747
Total transactions with owners	–	(2,927)	–	(10,295)	(13,222)	–	(13,222)
Balance at 31 December 2020	1	–	–	71,512	71,513	–	71,513
Profit for the period	–	–	–	79,555	79,555	(104)	79,451
Currency translation differences	–	–	(36)	184	148	–	148
Transactions with owners in their capacity as owners:							
Dividends	–	–	–	(30,000)	(30,000)	–	(30,000)
Issue of shares	–	36,320	–	–	36,320	–	36,320
Exercise of share options	–	634	–	–	634	–	634
Shareholder share buy-back	–	(1,108)	–	1,108	–	–	–
Share-based payments	–	–	–	12,931	12,931	–	12,931
Total transactions with owners	–	35,846	–	(15,961)	19,885	–	19,885
Balance at 30 June 2021	1	35,846	(36)	135,290	171,101	(104)	170,997

Share capital

The called-up share capital records the nominal value of shares issued and paid up.

Share premium

Consideration received for shares issued above their nominal value, net of share issue costs.

Translation reserve

Cumulative exchange differences on consolidation of overseas subsidiaries.

Retained earnings

Cumulative profit and loss attributable to the owners of the parent company, net of distributions to owners and including share-based payment reserve.

Non-Controlling Interest

Cumulative profit and loss attributable to the owners of the non-controlling interests in the Group.

Consolidated Statement of Cash Flows

	Note	*Year ended 31 December 2018* *$'000*	*Year ended 31 December 2019* *$'000*	*Year ended 31 December 2020* *$'000*	*Six months ended 30 June 2021* *$'000*	*Six months ended 30 June 2020 (unaudited)* *$'000*
Cash flows from operating activities						
Cash generated from/(used in) operations	28	7,021	12,507	72,255	(13,801)	7,954
Net cash generated by operating activities		7,021	12,507	72,255	(13,801)	7,954
Cash flows from investing activities						
Purchase of intangible assets	14	(4,604)	(9,452)	(22,175)	(13,761)	(6,893)
Acquisitions of businesses, net of cash acquired		–	–	(3,278)	(25,797)	–
Purchase of property, plant and equipment		–	–	–	(99)	–
Purchase of investments		–	–	(85)	–	–
Proceeds from sale of property, plant and equipment		–	–	112	–	–
Proceeds from disposal of intangible assets		–	1,900	–	126,900	–
Proceeds from disposal of other assets		–	–	38	–	–
Proceeds from notes receivable		113	–	–	–	–
Net cash (used in)/generated from investing activities		(4,491)	(7,552)	(25,388)	87,243	(6,893)
Cash flows from financing activities						
Dividends paid		(375)	–	(10,000)	(30,000)	–
Proceeds from borrowings		–	–	7,240	33	240
Repayment of borrowings		–	–	(7,000)	–	–
Repurchase of share capital		–	–	(6,000)	(20,837)	(500)
Proceeds on exercise of share options		–	–	–	634	–
Net cash generated by/ (used in) financing activities		(375)	–	(15,760)	(50,170)	(260)
Cash and cash equivalents						
Net increase in the year/ period		2,155	4,955	31,107	23,272	801
At 1 January/1 July		5,312	7,467	12,422	43,529	12,422
At 31 December/30 June		7,467	12,422	43,529	66,801	13,223

Notes to the Historical Financial Information

1. GENERAL INFORMATION

Devolver Digital, Inc. ("the Company") is a private company limited by shares, and is registered, domiciled and incorporated in Delaware, USA. The address of its registered office is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, USA.

The Group ("the Group") consists of Devolver Digital, Inc. and all of its subsidiaries as listed in Note 17.

The Group's principal activity is that of a video game publisher specialising in independent games.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This Historical Financial Information presents the financial track record of the Group for the three and a half years ended 30 June 2021 and is prepared for the purposes of admission to AIM; a market operated by the London Stock Exchange. This combined financial information has been prepared in accordance with the requirements of the AIM Rules for Companies, in accordance with this basis of preparation summarised below.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom and IFRS Interpretations Committee ("IFRIC") interpretations. The directors of the company are solely responsible for the preparation of this Historical Financial Information.

The Historical Financial Information is prepared in US Dollars, which is the functional currency and presentational currency of the Company. The functional currency of the Group's foreign operations is that of the currency used in the countries in which they operate. All balance sheet accounts of the Group's foreign subsidiaries, where applicable, are translated from their functional currencies, at the year-end rate of exchange, and income statement items are translated at the weighted average exchange rate on a monthly basis. Foreign currency translation adjustments are included as a component of comprehensive income for each period, net of the effect of income taxes.

Monetary amounts in this Historical Financial Information are rounded to the nearest thousand US Dollar.

First time adoption of IFRS

For all periods up to and including the year ended 31 December 2020, the Group prepared its statutory financial statements in accordance with US GAAP. This Historical Financial Information for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and six month periods ended 30 June 2020 and 30 June 2021, is the first financial information the Group has prepared in accordance with IFRS and the date of transition was 1 January 2018. In preparing this Historical Financial Information, the Group's opening statement of financial position was prepared as at 1 January 2018. The impact of adopting IFRS on the periods covered by this Historical Financial Information and other prior period adjustments identified during transition to IFRS are detailed within Note 32.

The principles and requirements for first time adoption of IFRS are set out in IFRS 1 'First-Time Adoption of International Financial Reporting Standards'. IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain standards in order to assist companies with the transition process. No exemptions have been applied in the preparation of the Group's first IFRS financial statements.

Basis of accounting

The Historical Financial Information has been prepared under the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods, services and assets.

The preparation of Historical Financial Information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the Historical Financial Information. If in the future,

such estimates and assumptions which are based on management's best judgement at the date of the Historical Financial Information, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Critical accounting estimates and key sources of estimation uncertainty in applying the accounting policies are disclosed in Note 3.

Basis of consolidation

The consolidated Historical Financial Information incorporates the financial results of the Company and all of its subsidiaries.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases. Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

The cost of a business combination is the fair value at acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Costs directly attributable to the business combination are expensed to profit or loss as incurred.

Going concern

After reviewing the Group's forecasts and projections and taking into account the proceeds of the Placing, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which is defined as period of not less than 12 months from the date of publication of this Historical Financial Information. The Group has therefore adopted the going concern basis in preparing the Historical Financial Information.

Adoption of new and revised standards

With effect from 1 January 2018, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard/amendment	*Effective date*
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to IFRS 2 Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Annual improvements 2015-2017 cycle	1 January 2019
IFRS 16 Leases	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Conceptual Framework and amendments to references to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 Business Combinations	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Interest Rate Benchmark Reform: amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020
Amendment to IFRS 16 Leases: Covid-19 related rent concessions	1 June 2020
Interest Rate Benchmark Reform: amendments to IFRS 9, IAS 39 and IFRS 7 – Phase 2	1 January 2021

The above revised standards/amendments became effective during the period covered by the Historical Financial Information and have been applied to each period presented. The impact of the new reporting standards adopted is disclosed below.

IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' relates to the recognition, classification and measurement of financial assets and financial liabilities. The Group previously applied the provisions of US GAAP Subtopic 326-20, which is significantly converged with IFRS 9, throughout the period covered by the Historical Financial Information. The Group's assessment of expected credit losses is the same as previously presented, therefore there were no adjustments upon transition from US GAAP to IFRS 9.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 introduces a new model for revenue recognition, which is based upon the transfer of control rather than the transfer of risks and rewards. The Group previously applied the provisions of US GAAP Topic 606, which is significantly converged with IFRS 15, throughout the period covered by the Historical Financial Information. On all the Group's engagement types the point at which revenue is recognised has not changed, therefore there were no adjustments upon transition from US GAAP to IFRS 15.

IFRS 16 'Leases'

IFRS 16 specifies how the Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Group did not have any material leases throughout the period covered by the Historical Financial Information and therefore no adjustments have been recognised.

New and revised standards in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Revenue recognition

IFRS 15 Revenue from Contracts with Customers has been applied for all periods presented within the Historical Financial Information.

Revenue is recognised when control of a service or product provided by the Group is transferred to the customer, in line with the Group's performance obligations in the contract, and at an amount reflecting the consideration the Group expects to receive in exchange for the provision of services or the transfer of control of a product.

The Group evaluates and recognises revenue by:

- identifying the contract, or contracts, with a customer;
- identifying the performance obligations in each contract;
- determining the transaction price;
- allocating the transaction price to the performance obligations in each contract; and
- recognising revenue when, or as, performance obligations are satisfied by transferring the promised goods or services to a customer (i.e. transfer of control).

The Company derives revenue principally from the development of and sale of licensed games that can be played by customers on a variety of platforms which include game consoles, PCs, mobile phones and tablets. The Company's product and service offerings include, but are not limited to, the following:

- licensing games to third parties to distribute and host games.
- full games ("Games") delivered digitally or via physical disc at the time of sale and product keys that provide access to offline core game content ("software license");

Certain of the Company's full games are sold to resellers with a contingency that the full game cannot be resold prior to a specific date ("Street Date Contingency"). The Company recognises revenue for transactions that have a Street Date Contingency when the Street Date Contingency is removed and the full game can be resold by the reseller. For digital full games sold to customers, the Company recognises revenue when the full game is made available for download to the customer.

The Company utilises third-party licensees to distribute and host games in accordance with license agreements, for which the licensees typically pay a fixed minimum guarantee and/or sales-based royalties. The Company recognises as revenue the minimum guarantee when control of the license of software is transferred (upon commercial launch). Any sales-based royalties are recognised as the related sales occur by the licensee.

Payment Terms

Substantially all of the Company's transactions have payment terms, whether customary or on an extended basis, of less than one year; therefore, the Company generally does not adjust the transaction price for the effects of any potential financing components that may exist.

Principal Agent Considerations

The Company evaluates sales to end customers of full games and related content via third-party storefronts, including digital storefronts, in order to determine whether or not the Company is acting as the principal in the sale to the end customer, which is considered in determining if revenue should be reported gross or net of fees retained by the third-party storefront. An entity is the principal if it controls a good or service before it is transferred to the end customer. Key indicators that the Company evaluates in determining gross versus net treatment include but are not limited to the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service to the end customer; and
- which party has discretion in establishing the price for the specified good or service.

Based on an evaluation of the above indicators, in particular who is primarily responsible for delivering the goods, the Company has determined that the third party is considered the principal to end customers for the sale of full games and related content. Therefore, the Company reports revenue related to these arrangements net of the fees retained by the storefront. The Company also performs an analysis to determine whether the Company is a principal or agent related to sales of video games developed by its independent game developer partners. Based on an evaluation of the above indicators, the Company has determined that the Company is the principal for sales of video games developed by its independent game developer partners. The Company therefore reports revenue related to these arrangements gross, and the royalty payments made to the independent game developer partners are reflected as cost of revenues.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Research and development expenditure

Expenditure on research activities as defined in IFRS is recognised in the income statement as an expense as incurred.

Expenditure on internally developed software products and substantial enhancements to existing software product is recognised as intangible assets only when the following criteria are met:

1. It is technically feasible to develop the product to be used or sold;
2. There is an intention to complete and use or sell the product;
3. The Group is able to use or sell the product;
4. Use or sale of the product will generate future economic benefits;
5. Adequate resources are available to complete the development; and
6. Expenditure on the development of the product can be measured reliably.

The capitalised expenditure represents costs directly attributable to the development of the asset from the point at which the above criteria are met up to the point at which the product is ready for use. If the qualifying conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred. No research and development expenditure has been recognised as an expense.

Development costs largely relate to amounts paid to external developers, consultancy costs and the direct payroll costs of acquired development teams. Capitalised development expenditure is reviewed at the end of each accounting period for conditions set out above and indicators of impairment. Intangible assets that are not yet available for use are tested for impairment annually by comparing their carrying amount with their recoverable amount based on cash flow forecasts for the developed products.

Amortisation is charged in line with the Group's policy on intangible assets disclosed below.

Finance income and costs

Finance costs comprise interest charged on liabilities.

Interest income and interest payable are recognised in the Statement of Comprehensive Income as they accrue, using the effective interest method.

EBITDA and Adjusted EBITDA

Earnings before Interest, Taxation, Depreciation and Amortisation ("EBITDA") and Adjusted EBITDA are non-GAAP measures used by management to assess the operating performance of the Group. EBITDA is defined as profit before finance costs, tax, depreciation and amortisation (excluding amortisation of capitalised software development costs). Share-based payment costs are excluded from EBITDA to calculate Adjusted EBITDA.

The Directors primarily use the Adjusted EBITDA measure when making decisions about the Group's activities. As these are non-GAAP measures, EBITDA and Adjusted EBITDA measures used by other entities may not be calculated in the same way and hence are not directly comparable.

Segmental reporting

The Group reports its business activities in one area: video games publishing, which is reported in a manner consistent with the internal reporting to the Board of Directors, which has been identified as the chief operating decision maker.

Property, plant and equipment

Property, plant and equipment are initially recognised at cost of purchase, which includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Computer equipment	5 years straight line

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets – goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intangible assets other than goodwill

The Group has three categories of intangible assets excluding goodwill:

Purchased intellectual property

The Group purchases intellectual property related to video games. At the time of purchase, the Group estimates the useful life of the intellectual property for financial reporting purposes and recognises amortisation on a straight-line basis over the useful life of the asset, typically 5 years.

Purchased intellectual property is reviewed for impairment at each reporting date or when events and circumstances indicate an impairment. The Group determined that an impairment charge was not necessary during the period covered by the Historical Financial Information.

Royalty rights

The Group invests in games developed by third parties in return for the right to receive royalties in the future for a period of 5 years. Therefore, the Group recognises amortisation on a straight-line basis over the useful life of 5 years commencing on the release of the game to which the investment, and subsequent right to royalties relates.

Software development costs

The Group incurs pre-release and post-release software development costs through game studios within the Group's control pursuant to IAS 38. Amortisation of pre-release costs commences when the game is released and available for sale. These costs are amortised over a three-year period split as 60 per cent. in the first year and 20 per cent. in each of the subsequent two years. Post-release costs are amortised on a reducing balance basis at 4 per cent. per month.

Development advances paid to external developers for the development of specified games are capitalised as incurred. Amortisation commences when the game is released and available for sale. These costs are amortised over a three-year period split as 60 per cent. in the first year and 20 per cent. in each of the subsequent two years.

Impairment of property, plant and equipment and intangible assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets under development are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments

Financial assets and liabilities are recognised on the Statement of Financial Position when the Group has become party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Investments

Investments in equity instruments are classified as at fair value through profit or loss, unless the Group has made an irrevocable election at the time of initial recognition to designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at fair value through other comprehensive income. No such elections have been made. Equity investments are initially measured at fair value and subsequently measured at fair value at each reporting date, with any fair value gains or losses being recognised in profit or loss.

Trade and other receivables

Trade and other receivables that do not have a significant financing component are initially recognised at transaction price and thereafter are measured at amortised cost using the effective interest method. Other receivables are stated at their transaction price (discounted if material) less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Financial liabilities are measured subsequently at amortised cost using the effective interest rate method.

Trade and other payables

Trade and other payables and borrowings are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method, with all movements being recognised in the statement of profit and loss. Cost approximates to fair value.

Contingent consideration

Contingent consideration classified as a liability is measured at fair value through profit or loss. The liability is remeasured at each reporting date and movements in the fair value are recognised immediately in profit or loss.

Equity

Equity instruments issued are recorded at fair value on initial recognition net of share issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets measured at amortised cost. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group recognises twelve month expected credit losses if there has not been a significant increase in credit risk and lifetime expected credit losses if there has been a significant increase in credit risk. Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial reorganisation default or delinquency in payments, and the unavailability of credit insurance at commercial rates are considered indicators that the receivable may be impaired.

Financial assets are written off when there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the Statement of Comprehensive Income.

Trade receivables

To measure the expected credit losses, trade and other receivables have been grouped based on type of customer, shared credit risk characteristics, the days past due and existing economic conditions. For other financial assets at amortised cost, the Group determines whether there has been a significant increase in credit risk since initial recognition.

Employee benefits

The Group operates a defined contribution pension scheme under which it pays contributions based upon a percentage of the members' basic salary.

Contributions to defined contribution pension schemes are charged to the Statement of Comprehensive Income and differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments (options) of the company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

– including any market performance conditions (for example, an entity's share price);

– excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

– including the impact of any non-vesting conditions (for example, the requirement for employees to save). Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. For share options which vest in instalments over the vesting period, each instalment is treated as a separate share option grant, each with a different vesting period.

At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income, with a corresponding adjustment to equity.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

Current tax

Tax currently payable is based on the taxable profit for the year and is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or deductible in other years.

Deferred tax

Using the liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the consolidated statement of financial position and the corresponding tax base, with the exception of temporary differences arising from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax assets and liabilities reflect the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its asset and liabilities.

Deferred tax assets are recognised only to the extent that the Group considers that it is probable (ie more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction. Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's intention is to settle the amounts on a net basis.

Since the Group is able to control the timing of the reversal of the temporary difference associated with interests in subsidiaries, a deferred tax liability is recognised only when it is probable that the temporary difference will reverse in the foreseeable future mainly because of a dividend distribution.

At present, no provision is made for the additional tax that would be payable if the subsidiaries in certain countries remitted their profits because such remittances are not probable, as the Group intends to retain the funds to finance organic growth locally.

Equity

Equity instruments are contracts that give a residual interest in the net assets of an entity. Shares are classified as equity. Equity instruments issued are recognised at the amount of proceeds received net of costs directly attributable to the transaction.

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

In the course of preparing the Historical Financial Information, judgements have been made in the process of applying the accounting policies that have had a significant effect in the amounts recognised in the Historical Financial Information. The following are the areas requiring the use of judgements that may significantly impact the Historical Financial Information.

Capitalisation of development expenditure

Management has to make judgements as to whether development expenditure has met the criteria for capitalisation or whether it should be expensed in the year. Development expenditure is capitalised only after its reliable measurement, technical feasibility and commercial viability can be demonstrated.

Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. Estimates include:

Measurement, useful lives and impairment of intangible assets

Purchased intellectual property is considered to have a useful economic life of five years. Other intangible assets (except for goodwill) are also considered to have a finite useful economic life. They are amortised over their estimated useful lives that are reviewed at each reporting date. In the event of impairment, an estimate of the asset's recoverable amount is made. The value of the intangible assets are tested whenever there are indications of impairment and reviewed at each reporting date or more frequently should this be justified by internal or external events.

After assessing the carrying value of each intangible asset which is not yet ready for use at the reporting date, which is shown net of any impairment charge posted, the Directors are confident that the forecast cash generation is in excess of the intangible asset held. The forecast cash generation is taken from the Group's forecasts which cover the trading expectations for a minimum of two years after the reporting date. The forecast revenue and cash generation from each intangible asset are separately identifiable within the Group forecasts. The forecast cash generation represents significant assumptions regarding its commercial performance, should the assumptions prove to be significantly incorrect there would be a risk of material adjustment in the financial year following the release of that product. A 10 per cent. decrease in forecast revenue would not result in any impairment to intangible assets.

Fair value of contingent consideration

Contingent consideration arising from business combinations is classified as a liability measured at fair value through profit or loss in accordance with the Group's accounting policies. The level of contingent consideration payable is driven by the consideration on a sale event. The fair value of the contingent consideration is subject to estimates regarding the sale event consideration and is calculated using a Monte Carlo simulation model. The minimum and maximum amounts of contingent consideration are $Nil and unlimited, and the likely range is estimated between $7,345,913 and $11,119,896.

4. SEGMENTAL REPORTING

IFRS 8 Operating Segments requires that operating segments be identified on the basis of internal reporting and decision-making. The Group identifies operating segments based on internal management reporting that is regularly reported to and reviewed by the Board of directors, which is identified as the chief operating decision maker. Management information is reported as one operating segment, being revenue from game publishing and other revenue streams such as royalties, licensing and development.

Three customers were individually responsible for over 10 per cent. of the Group's revenues, collectively totalling approximately 75 per cent. of the Group's revenues for the (2020: three – 85 per cent., HY2020: four – 68 per cent., 2019: four – 63 per cent., 2018: four – 72 per cent.).

The Group has non-current assets located in foreign countries totalling $188,000 (2020: $52,000, 2019: $nil, 2018: $nil).

5. REVENUE

An analysis of the Group's revenue is as follows:	*Year ended 31 December 2018* *$'000*	*Year ended 31 December 2019* *$'000*	*Year ended 31 December 2020* *$'000*	*Six months ended 30 June 2021* *$'000*	*Six months ended 30 June 2020 (unaudited)* *$'000*
Revenue analysed by class of business					
Game publishing	42,472	58,749	212,738	46,443	23,855
Revenue analysed by timing of revenue					
Transferred at a point in time	42,472	58,749	212,738	46,443	23,855

In respect of sales-based royalties receivable promised in exchange for the licence of intellectual property the Group has taken advantage of the provisions in IFRS 15.B63 to recognise the relevant royalty income in the period in which it is earned.

Management expects that contract liabilities recognised in respect of partially unsatisfied performance obligations for development contracts will be recognised as revenue within 12 months.

For the six-month period ending 30 June 2021, revenue recognised includes $nil (2020: $1,895,000, 2019: $1,067,000, 2018: $nil) that was included in the contract liability balance at the beginning of the period.

6. OTHER INCOME

	Year ended 31 December 2018 *$'000*	*Year ended 31 December 2019* *$'000*	*Year ended 31 December 2020* *$'000*	*Six months ended 30 June 2021* *$'000*	*Six months ended 30 June 2020 (unaudited)* *$'000*
Gain on sale of intellectual property (Note 14)	–	1,900	–	115,280	–

7. EMPLOYEES

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
An analysis of the Group's staff costs is as follows:					
Employee benefit expense	2,306	3,071	6,280	8,659	1,170
Pension expense	–	43	66	87	30
Equity-settled share-based payments	202	192	2,747	12,931	117
Total employee benefit expense	2,508	3,306	9,093	21,677	1,317

8. OPERATING PROFIT

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
The operating profit is arrived at after charging/(crediting):					
Royalty expense	25,305	33,483	103,034	22,196	13,940
Development expense	1,828	3,845	6,243	4,317	878
Amortisation of intangible assets	2,715	3,512	6,978	3,863	1,455
Depreciation of property, plant and equipment	–	–	43	48	–
Employee benefit expenses	2,306	3,114	6,346	8,746	1,200
Share-based payment charge	202	192	2,747	12,931	117
Other	5,670	6,215	10,187	6,034	3,051
Total administrative expenses and cost of sales	**38,026**	**50,361**	**135,578**	**58,135**	**20,641**
Gain on sale of intellectual property	–	(1,900)	–	(115,280)	–

9. FINANCE INCOME

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Bank interest receivable	22	61	43	25	50
Other interest	–	–	58	–	–
Total finance income	22	61	101	25	50

10. FINANCE COSTS

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Interest paid on borrowings	–	–	104	–	–

11. INCOME TAX EXPENSE

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Corporation tax:					
Current year	1,199	2,420	13,597	25,060	834
Deferred tax:					
Origination and reversal of timing differences	101	71	(533)	(898)	–
Total income tax expense	1,300	2,491	13,064	24,162	834

Factors affecting tax charge for the year

The tax assessed for the year is higher (year ended 31 December 2020: lower, six months ended 30 June 2020: higher, year ended 31 December 2019: higher, year ended 31 December 2018: higher) than the effective rate of corporation tax as explained below:

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Profit before taxation	4,468	10,349	77,157	103,613	3,264
Tax at the US corporation tax rate of 21%	938	2,173	16,203	21,759	685
Adjusted for the effects of:					
Permanent items	361	217	(3,169)	158	149
Effect of rates other than federal	–	–	(19)	(106)	–
Other	1	101	49	2,351	–
Total income tax expense	1,300	2,491	13,064	24,162	834

12. EARNINGS PER SHARE

The Group reports basic and diluted earnings per common share. Basic earnings per share is calculated by dividing the profit attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit attributable to common shareholders by the weighted average number of common shares outstanding, taking into account the effects of all potential dilutive common shares, including options.

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Total comprehensive income attributable to the owners of the company	3,168	7,858	64,093	79,415	2,430
Weighted average number of shares	10,000,000	10,000,000	9,981,265	10,129,750	9,931,198
Basic earnings per share ($)	0.32	0.79	6.42	7.84	0.24
Total comprehensive income attributable to the owners of the company	3,168	7,858	64,093	79,,415	2,430
Weighted average number of shares	10,000,000	10,000,000	9,981,265	10,129,750	9,931,198
Dilutive effect of share options	1,960	357,791	524,825	847,895	445,327
Weighted average number of diluted shares	10,001,960	10,357,791	10,506,090	10,977,645	10,376,525
Diluted earnings per share ($)	0.32	0.76	6.10	7.23	0.23

13. ADJUSTED EBITDA

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Operating profit	4,446	10,288	77,160	103,588	3,214
Share-based payment expenses	202	192	2,747	12,931	117
Amortisation of purchased intellectual property	154	154	623	1,765	77
Depreciation of property, plant and equipment	–	–	43	48	–
Adjusted EBITDA	4,802	10,634	80,573	118,332	3,408

Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of Adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

14. INTANGIBLE ASSETS

	Goodwill *$'000*	*Purchased intellectual property* *$'000*	*Royalty rights* *$'000*	*Software development costs* *$'000*	*Total* *$'000*
Cost:					
As at 1 January 2018	–	–	–	8,605	8,605
Additions	–	770	–	3,834	4,604
As at 31 December 2018	–	770	–	12,439	13,209
Additions	–	–	2	9,450	9,452
As at 31 December 2019	–	770	2	21,889	22,661
Additions – business combinations	159	23,414	–	–	23,573
Additions	–	–	–	22,175	22,175
As at 31 December 2020	159	24,184	2	44,064	68,409
Additions – business combinations	39,958	35,341	–	–	75,299
Additions	–	–	–	10,624	10,624
Disposals	–	–	–	(14,404)	(14,404)
As at 30 June 2021	40,117	59,525	2	40,284	139,928
Amortisation and impairment:					
As at 1 January 2018	–	–	–	3,472	3,472
Amortisation charge for the year	–	154	–	2,561	2,715
As at 31 December 2018	–	154	–	6,033	6,187
Amortisation charge for the year	–	154	–	3,358	3,512
As at 31 December 2019	–	308	–	9,391	9,699
Amortisation charge for the year	–	623	–	6,355	6,978
As at 31 December 2020	–	931	–	15,746	16,677
Amortisation charge for the period	–	1,765	–	3,156	4,921
Eliminated on disposal	–	–	–	(2,479)	(2,479)
As at 30 June 2021	–	2,696	–	16,423	19,119
Carrying amount:					
As at 1 January 2018	–	–	–	5,133	5,133
As at 31 December 2018	–	616	–	6,406	7,022
As at 31 December 2019	–	462	2	12,498	12,962
As at 31 December 2020	159	23,253	2	28,318	51,732
As at 30 June 2021	40,117	56,829	2	23,861	120,809

Purchased intellectual property relates to the intellectual property rights to the certain games. The intellectual property is considered to have a useful life of 5 years and is amortised on a straight-line basis over the useful life. The intellectual property is assessed for impairment at least annually, or more frequently if there are indicators of impairment. A formal impairment review is only undertaken if there are indicators of impairment. Any impairment is recognised immediately within cost of sales in the Statement of Comprehensive Income.

Software development costs relate to costs incurred for the localisation and porting of games, advances payable to external developers under development agreements and the direct payroll and overhead costs of the internal development teams. Amortisation of software development costs commences upon release of the game and is recognised within cost of sales in the Statement of Comprehensive Income. Included within software development costs is $21,496,000 (31 December 2020: $15,033,000, 31 December 2019: $8,854,000, 31 December 2018: $3,189,000, 1 January 2018: $2,297,000) relating to intangible assets under construction for which amortisation has not yet commenced.

Included within software development costs is one game title that is considered material to the Group with a net book value of $nil (31 December 2020: $9,328,000, 31 December 2019: $1,326,000, 31 December

2018: $128,000, 1 January 2018: $nil). This game title was sold during the period ended 30 June 2021 as disclosed below.

During the period ended 30 June 2021, the Group sold the publishing rights to one game title and intellectual property to one game title, recognising gains on disposal of $115,280,000 (see note 6).

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings $'000	*Computer equipment $'000*	*Total $'000*
Cost:			
As at 1 January 2018	–	6	6
Disposals	–	(6)	(6)
As at 31 December 2018	–	–	–
Additions	–	–	–
As at 31 December 2019	–	–	–
Additions – business combinations	–	95	95
Disposals	–	–	–
As at 31 December 2020	–	95	95
Additions	86	98	184
As at 30 June 2021	86	193	279
Depreciation and impairment:			
As at 1 January 2018	–	6	6
Eliminated on disposal	–	(6)	(6)
As at 31 December 2018	–	–	–
Charge for the year	–	–	–
As at 31 December 2019	–	–	–
Charge for the year	–	43	43
As at 31 December 2020	–	43	43
Charge for the period	–	48	48
As at 30 June 2021	–	91	91
Carrying amount:			
As at 1 January 2018	–	–	–
As at 31 December 2018	–	–	–
As at 31 December 2019	–	–	–
As at 31 December 2020	–	52	52
As at 30 June 2021	86	102	188

Depreciation and impairment of property, plant and equipment is recognised within administrative expenses in the Statement of Comprehensive Income.

16. INVESTMENTS

	Total $'000
Cost:	
As at 1 January 2018, 31 December 2018 and 31 December 2019	–
Additions – business combinations	1,294
As at 31 December 2020	1,294
Carrying amount:	
As at 1 January 2018, 31 December 2018 and 31 December 2019	–
As at 31 December 2020	1,294

Name of investment	*Principal activity*	*Country of incorporation and registered office*	*Proportion of ownership interest and voting rights held*
Gambitious B.V.	Video game development	Saturnusstraat 14, unit 2.04, 2516 AH, the Hague, the Netherlands	6%

The investment was acquired following the acquisition of ABEST d.o.o. (Note 18). During the period ended 30 June 2021, the Group acquired 100 per cent. of the share capital of Gambitious B.V. The results of Gambitious B.V. are consolidated as at 30 June 2021.

17. SUBSIDIARIES

Name of subsidiary	*Principal activity*	*Country of incorporation and registered office*	*Proportion of ownership interest and voting rights held*
ABEST d.o.o.	Video game development	Horvatova 82, 10000 Zagreb, Croatia	100%
DES INFORMATIKA 2010 d.o.o.	Video game development	Horvatova 82, 10000 Zagreb, Croatia	100%
NEBO IZ SNA d.o.o.	Video game development	Horvatova 82, 10000 Zagreb, Croatia	100%
NEBO MEDIA d.o.o.	Video game development	Horvatova 82, 10000 Zagreb, Croatia	100%
PLAVI SLON d.o.o.	Video game development	Horvatova 82, 10000 Zagreb, Croatia	100%
Gambitious B.V.	Video game development	Saturnusstraat 14 Unit 2.04, 2516 Ah The Hague, Netherlands	100%
GS Capital B.V.	Video game development	Saturnusstraat 14 Unit 2.04, 2516 Ah The Hague, Netherlands	95%
GSE USA, LLC	Video game development	103 E 5th St, Ste 208, Austin, TX 78701-3673, USA	100%
Artificer Games SP. z.o.o.	Video game development	Aleja Komisji Edukacji Narodowej 95, 02-777 Warsaw, Poland	85%
Nerial Limited	Video game development	Preston Park House, South Road, Brighton, BN1 6SB, UK	100%
Firefly Studios Limited	Video game development	4th Floor Imperial House, 8 Kean Street, London, WC2B 4AS, UK	100%
Firefly Holdings Limited	Video game development	4th Floor Imperial House, 8 Kean Street, London, WC2B 4AS, UK	100%
Firefly Studios Inc	Video game development	166 Albany Turnpike, Canton, CT 06019-2546, USA	100%

No subsidiary undertakings have been excluded from the consolidation.

18. ACQUISITIONS

CroTeam

On 16 October 2020, the Group acquired 100 per cent. of the share capital of Abest d.o.o., Des Informatiko 2010 d.o.o., Nebo IZ SNA d.o.o., Nebo Media d.o.o. and Plavi Slon d.o.o. All of the companies (together, "CroTeam") are engaged in video game development and are registered in Croatia. The acquisition was executed as part of the strategy to remove royalties and increase gross margins, whilst also responding to the changing industry demands regarding content ownership.

The goodwill of $159,000 represents the expected synergies from the ability to access intangible assets such as acquired workforce and growth opportunities.

Consideration for the acquisitions comprised $4,500,976 cash and 1,556,737 Shares of $0.0001 each, with a total fair value of $20,867,432. Contingent consideration of $1,567,003 has been recognised in

respect of cash which will become payable in the event of share options issued to employees of the acquired company being exercised. The potential outcome of the contingent consideration ranges between $Nil and $2,141,571. Acquisition related costs totalling $45,581 have been recognised in profit or loss.

The acquired business contributed revenues of $636,000 and losses after tax of $655,000 to the consolidated entity from 16 October 2020 to 31 December 2020. If the acquisition occurred on 1 January 2020, the full year contributions would have been revenues of $4,335,612 and loss after tax of $855,530.

The fair values of the identifiable assets acquired, and liabilities assumed at the date of acquisition were:

	Book value $'000	*Fair value adjustments $'000*	*Total $'000*
Intangible assets	–	23,414	23,414
Property, plant and equipment	165	–	165
Investments	503	707	1,210
Trade and other receivables	790	–	790
Cash	1,223	–	1,223
Trade and other payables	(26)	–	(26)
Total	2,655	24,121	26,776
Goodwill			159
			26,935
Consideration:			
Cash			4,501
Equity (1,556,737 Shares of $0.0001 each)			20,867
Contingent consideration – cash			1,567
Total consideration			26,935

Good Shepherd

On 7 January 2021, the Group acquired 100 per cent. of the share capital of Gambitious B.V. and 95 per cent. of GS Capital B.V., companies registered in the Netherlands, 100 per cent. of GSE USA, LLC, a company registered in the United States of America, and 85 per cent. of Artificer Games SP z.o.o., a company registered in Poland. All of the companies (together, "Good Shepherd") are engaged in video game development. The acquisition was executed as part of the strategy to remove royalties and increase gross margins, whilst also responding to the changing industry demands regarding content ownership.

The goodwill of $26,962,798 represents the expected synergies from the ability to access intangible assets such as acquired workforce and growth opportunities.

Consideration for the acquisitions comprised $15,725,787 cash and 534,256 Shares of $0.0001 each, with a total fair value of $25,529,438. Acquisition related costs totalling $235,410 have been recognised in profit or loss.

The acquired business contributed revenues of $4,654,423 and losses after tax of $1,042,122 to the consolidated entity from 7 January 2021 to 30 June 2021. If the acquisition occurred on 1 January 2021, the full period contributions would have been revenues of $4,654,423 and losses after tax of $1,042,122.

The fair values of the identifiable assets acquired, and liabilities assumed at the date of acquisition were:

	Book value $'000	*Fair value adjustments $'000*	*Total $'000*
Intangible assets	6,680	2,497	9,177
Property, plant and equipment	327	–	327
Trade and other receivables	1,050	(2)	1,048
Cash	6,193	–	6,193
Trade and other payables	(8,070)	4,978	(3,092)
Deferred tax asset	549	–	549
Total	6,729	7,473	14,202
Non-controlling interests			90
Goodwill			26,963
			41,255
Consideration:			
Cash			15,726
Equity (534,256 Shares of $0.0001 each)			25,529
Total consideration			41,255

Nerial

On 29 April 2021, the Group acquired 100 per cent. of the share capital of Nerial Ltd, a company engaged in video game development and registered in England and Wales. The acquisition was executed as part of the strategy to remove royalties and increase gross margins, whilst also responding to the changing industry demands regarding content ownership.

The goodwill of $10,069,613 represents the expected synergies from the ability to access intangible assets such as acquired workforce and growth opportunities.

Consideration for the acquisitions comprised $6,405,333 cash and 155,017 Shares of $0.0001 each, with a total fair value of $5,027,816. Contingent consideration with a fair value of $5,920,000 has been recognised based on a Monte Carlo simulation model in respect of additional consideration which will become payable in the event of a sale event. The likely potential outcome of the contingent consideration ranges between $5,328,000 and $6,512,000. The minimum and maximum amounts of contingent consideration are $Nil and unlimited respectively.

Acquisition related costs totalling $332,398 have been recognised in profit or loss.

The acquired business contributed revenues of $36,857 and losses after tax of $237,564 to the consolidated entity from 29 April 2021 to 30 June 2021. If the acquisition occurred on 1 January 2021, the full period contributions would have been revenues of $1,280,271 and profit after tax of $364,312.

The fair values of the identifiable assets acquired, and liabilities assumed at the date of acquisition were:

	Book value $'000	*Fair value adjustments $'000*	*Total $'000*
Intangible assets	–	4,595	4,595
Property, plant and equipment	24	–	24
Trade and other receivables	655	–	655
Cash	2,535	–	2,535
Trade and other payables	(523)	–	(523)
Other provisions	(3)	–	(3)
Total	2,688	4,595	7,283
Goodwill			10,070
			17,353
Consideration:			
Cash			6,405
Equity (155,017 Shares of $0.0001 each)			5,028
Contingent consideration – cash or shares			5,920
Total consideration			17,353

Firefly

On 24 June 2021, the Group acquired 100 per cent. of the share capital of Firefly Holdings Limited and Firefly Studios Limited, both of which are registered in England and Wales, and Firefly Studios Inc., registered in United States of America. All of the companies (together, "Firefly") are engaged in video game development. The acquisition was executed as part of the strategy to remove royalties and increase gross margins, whilst also responding to the changing industry demands regarding content ownership.

The goodwill of $2,926,341 represents the expected synergies from the ability to access intangible assets such as acquired workforce and growth opportunities.

Consideration for the acquisitions comprised $21,016,601 cash and 116,586 Shares of $0.0001 each, with a total fair value of $4,217,847. Contingent consideration with a fair value of $2,242,114 has been recognised based on a Monte Carlo simulation model in respect of additional consideration which will become payable in the event of a sale event. The potential outcome of the contingent consideration ranges between $2,017,903 and $2,466,325. The minimum and maximum amounts of contingent consideration are $Nil and unlimited respectively.

Acquisition related costs totalling $308,538 have been recognised in profit or loss.

The acquired business contributed revenues of $315,656 and losses after tax of $243,100 to the consolidated entity from 24 June 2021 to 30 June 2020. If the acquisition occurred on 1 January 2021, the full period contributions would have been revenues of $5,366,997 and profit after tax of $390,636.

The fair values of the identifiable assets acquired, and liabilities assumed at the date of acquisition were:

	Book value *$'000*	*Fair value adjustments* *$'000*	*Total* *$'000*
Intangible assets	–	17,975	17,975
Trade and other receivables	714	–	714
Cash	6,303	–	6,303
Trade and other payables	(433)	–	(433)
Deferred tax liabilities	(9)	–	(9)
Total	6,575	17,975	24,550
Goodwill			2,926
			27,476
Consideration:			
Cash			21,016
Equity (116,586 Shares of $0.0001 each)			4,218
Contingent consideration – cash or shares			2,242
Total consideration			27,476

19. TRADE AND OTHER RECEIVABLES

	As at 1 January 2018 *$'000*	*As at 31 December 2018* *$'000*	*As at 31 December 2019* *$'000*	*As at 31 December 2020* *$'000*	*As at 30 June 2021* *$'000*
Non-current assets					
Deferred tax asset	–	–	–	362	1,642
Current assets					
Accounts receivable	4,813	5,706	8,337	15,847	7,867
Other receivables	112	–	62	–	1,835
Total current trade and other receivables	4,925	5,706	8,399	15,847	9,702
Total trade and other receivables	4,925	5,706	8,399	16,209	11,344

All of the trade receivables were non-interest bearing, and are receivable under normal commercial terms. The Directors consider that the carrying value of trade and other receivables approximates to their fair value. The Group has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the Historical Financial Information.

20. CASH AND CASH EQUIVALENTS

	As at 1 January 2018 *$'000*	*As at 31 December 2018* *$'000*	*As at 31 December 2019* *$'000*	*As at 31 December 2020* *$'000*	*As at 30 June 2021* *$'000*
Cash at bank and in hand	5,312	7,467	12,422	43,529	66,801

21. BORROWINGS

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Paycheck protection program loan	–	–	–	240	288
	–	–	–	240	288

In April 2020, the Group received a loan from Frost Bank in the amount of $239,600 under the Paycheck Protection Program established by the Coronavirus Aid, Relief and Economic Security (CARES) Act. The loan is subject to a promissory note dated 1 April 2020. The loan accrues interest at 1 per cent. The principal amount and interest will be repaid over 17 equal monthly payments of $13,321 and one final payment of $13,321. The first payment was due on 21 November 2020 and the final payment will be made on 21 April 2022.

22. TRADE AND OTHER PAYABLES

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Amounts due within one year:					
Trade payables	4,992	5,734	9,893	18,305	7,438
Contingent consideration	–	–	–	647	–
Accrued expenses and other current liabilities	375	162	–	–	1,750
Deferred revenue	100	1,341	2,168	599	1,916
Amounts due to shareholder	–	–	–	20,837	–
	5,467	7,237	12,061	40,388	11,104
Amounts due after one year:					
Contingent consideration	–	–	–	920	10,024

Deferred revenue relates to development advances received from distribution partners to aid in the development of video games. In accordance with the Group's revenue recognition accounting policy, revenue equivalent to the transaction price allocated to each performance obligation is deferred and subsequently recognised when those performance obligations are satisfied upon delivery of the final version of the games to the platforms.

23. FINANCIAL RISK MANAGEMENT

The Group's financial instruments at the reporting dates mainly comprise cash and various items arising directly from its operations, such as trade and other receivables and trade and other payables.

(a) Risk management policies

The Group's Directors are responsible for overviewing capital resources and maintaining efficient capital flow, together with managing the Group's market, liquidity, foreign exchange, interest, and credit risk exposures.

(b) **Financial assets and liabilities**

Financial assets and liabilities analysed by the categories were as follows:

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Financial assets at amortised cost:	$'000	$'000	$'000	$'000	$'000
Trade and other receivables	4,925	5,706	8,399	15,847	9,702
Cash and cash equivalents	5,312	7,467	12,422	43,529	66,801
	10,237	13,173	20,821	59,376	76,503
Financial liabilities at amortised cost:					
Borrowings	–	–	–	240	288
Trade and other payables	5,367	5,896	9,893	39,789	9,188
	5,367	5,896	9,893	40,029	9,476
Financial liabilities at fair value through profit or loss:					
Contingent consideration	–	–	–	1,567	10,024

Fair values of financial assets and liabilities

The Group measures financial instruments at fair value and are classified into the following hierarchy:

– Level 1 Quoted prices in active markets.

– Level 2 Level 1 quoted prices are not available but fair value is based on observable market data.

– Level 3 Inputs are not based on observable market data.

The assumptions applied in determining the fair value level of the financial instruments held by the Group are detailed below:

The carrying value of all financial instruments at amortised cost is not materially different from their fair value. Cash and cash equivalents attract floating interest rates. Accordingly, their carrying amounts are considered to approximate to fair value.

The following table summarises the quantitative information about the Group's Level 3 fair value measurements:

As at 30 June 2021	*Fair value $'000*	*Valuation technique*	*Significant unobservable inputs*	*Ranges of inputs*
Contingent consideration	1,567	Scenario-based model	WACC	3.7%
			Risk-free rate	1.3%
			Assumed exercise %	75%
Contingent consideration	2,242	Scenario-based model	WACC	3.9%
			Risk-free rate	2.0%
			Assumed exercise %	75%
Contingent consideration	6,214	Scenario-based model	WACC	4.2%
			Risk-free rate	2.2%
			Assumed exercise %	75%

As at 31 December 2020	*Fair value $'000*	*Valuation technique*	*Significant unobservable inputs*	*Ranges of inputs*
Contingent consideration	1,567	Scenario-based model	WACC	3.7%
			Risk-free rate	1.3%
			Assumed exercise %	75%

(c) **Credit risk**

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Maximum credit risk at the reporting dates was as follows:

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Current trade and other receivables	4,925	5,706	8,399	15,847	9,702
Non-current trade and other receivables	–	–	–	362	1,642
	4,925	5,706	8,399	16,209	11,344

Before accepting a new customer, the Group assesses both the potential customer's credit quality and risk. Customer contracts are drafted to reduce any potential credit risk to the Group. Where appropriate the customer's recent financial statements are reviewed. The Group advances royalties to developers, giving rise to an asset. The Group is shielded from credit risk because it deducts repayments of those advances from the income received from the distributors, therefore any liquidity or other constraint the developer faces does not impact the recoverability of the prepayment.

Trade receivables are regularly reviewed for impairment loss. The Group has assessed the credit risk of its financial assets measured at amortised cost and has determined that the loss allowance for expected credit losses of those assets is immaterial to the Historical Financial Information. The Group's exposure to credit losses has historically been very low given the blue chip nature of the customers and there being no historical write offs.

Accounts receivable from the Group's three largest customers at 30 June 2021 totalled approximately $5.3 million (31 December 2020: three largest customers – $14.4 million, 31 December 2019: four largest customers – $6.9 million, 31 December 2018: four largest customers – $4.9 million)

(d) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management monitors the level of cash and cash equivalents on a continuous basis to ensure sufficient liquidity to be able to meet the Group's obligations as they fall due.

Contractual cash flows relating to the Group's financial liabilities are as follows:

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Within 1 year:					
Borrowings	–	–	–	240	288
Trade payables	4,992	5,734	9,893	18,305	7,438
Contingent consideration	–	–	–	647	–
Accruals and other payables	375	162	–	–	1,750
Deferred income	100	1,341	2,168	599	1,916
Amounts due to shareholder	–	–	–	20,837	–
	5,467	7,237	12,061	40,628	11,392
After 1 year:					
Contingent consideration	–	–	–	920	10,024
Total	5,467	7,237	12,061	41,548	21,416

(e) **Interest rate risk**

Interest rate risk is the risk that the future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. Interest on the Group's borrowings is fixed at 1 per cent. and interest rates on cash and cash equivalents are low, such that interest rate risk is minimal.

(f) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's financial instruments are denominated in their functional currencies. As such, currency risk is minimal.

(g) **Capital management**

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade for the foreseeable future. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group considers its capital to include net cash (cash and cash equivalents less borrowings), share capital, share premium and retained earnings.

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Net cash	5,312	7,467	12,422	43,289	66,513
Total equity	9,123	12,493	20,642	71,513	170,997
	14,435	19,960	33,064	114,802	237,510

24. DEFERRED TAX

The deferred tax balances recognised in the consolidated Statement of Financial Position are as follows:

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Deferred tax liability/(asset):					
Short term timing differences	–	101	171	(362)	(1,260)
Net deferred tax liability	–	101	171	(362)	(1,260)

The net movement is explained as follows:

	Year ended 31 December 2018 $'000	*Year ended 31 December 2019 $'000*	*Year ended 31 December 2020 $'000*	*Six months ended 30 June 2021 $'000*
Opening deferred tax liability	–	101	171	(362)
Charge to profit or loss	101	70	(533)	(898)
Closing deferred tax liability	101	171	(362)	(1,260)

25. SHARE-BASED PAYMENTS

The Group operates two share-based plans, the 2017 Equity Incentive Plan ("the Plan") and Restricted Stock Awards ("RSAs") which are detailed as follows:

Equity Incentive Plan

At 30 June 2021, the Plan has authorised a maximum 1,264k (31 December 2020: 951k, 31 December 2019: 523k, 31 December 2018: 526k) of non-common voting stock to be awarded, with 518k (31 December 2020: 216k, 31 December 2019: 168k, 31 December 2018: 160k) shares of common stock available for grant.

Options generally have a ten-year term and vest between two and four years.

The fair value of each option award is estimated on the date of grant using the Black-Scholes model. A reconciliation of share option movements is shown below:

	Number of options outstanding	*Weighted average exercise price ($)*	*Number of options exercisable*	*Weighted average exercise price ($)*	*Weighted average remaining contractual life (years)*
At 1 January 2018	–	–	–	–	–
Granted during the year	365,823	2.49			
At 31 December 2018	365,823	2.49	138,855	2.49	9
Forfeited during the year	(8,032)	2.49			
At 31 December 2019	357,791	2.49	234,602	2.49	8
Granted during the year	377,008	12.56			
At 31 December 2020	734,799	7.66	364,507	3.17	8.8
Granted during the period	198,500	15.11			
Exercised during the period	(186,210)	5.99			
Forfeited during the period	(972)	15.11			
At 30 June 2021	746,117	12.89	66,159	11.87	8.7

During the period covered by the Historical Financial Information, no options were exercised, or expired. Options granted during the year were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted during the period covered by the Historical Financial Information and the assumptions used in the calculation are as follows:

	Grant date				
	29 December 2018	*18 January 2020*	*4 November 2020*	*21 December 2020*	*1 April 2021*
Share price at grant date	$2.49	$6.22	$15.11	$15.11	$15.11
Exercise price	$2.49	$6.22	$15.11	$15.11	$15.11
Option life	7	6.5	6.5	6.5	6.5
Expected volatility	50.00%	50.00%	50.00%	50.00%	50.00%
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%
Discount rate	2.56%	0.39%	0.39%	0.39%	0.37%
Weighted average fair value per option	$1.337	$3.00	$16.83	$16.83	$52.51

Restricted Stock Awards

The Group awards RSAs as part of business combinations. Awarded shares are made in the Company's share capital. The fair value of the RSAs is estimated by using the Black-Scholes valuation model on the date of grant, based on certain assumptions. The fair value of the 2020 grant is $26.81 per share and the 2021 grants are $59.21, $64.87 and $72.36 respectively. The RSAs vest in instalments either monthly or annually over the service period. Each instalment has been treated as a separate share option grant because each instalment has a different vesting period. This plan is equity-settled. A reconciliation of RSAs is as follows:

	As at 1 January 2018 Number	*As at 31 December 2018 Number*	*As at 31 December 2019 Number*	*As at 31 December 2020 Number*	*As at 30 June 2021 Number*
Opening RSAs outstanding	–	–	–	–	778,360
RSAs granted	–	–	–	778,360	238,888
RSAs vested	–	–	–	–	(17,181)
Closing RSAs outstanding	–	–	–	778,360	1,000,067
Weighted average remaining contractual life in years	–	–	–	4.8	4.1

26. SHARE CAPITAL

	As at 1 January 2018 No.	*As at 31 December 2018 No.*	*As at 31 December 2019 No.*	*As at 31 December 2020 No.*	*As at 30 June 2021 No.*
Authorised					
Shares of $0.0001 each	14,500,000	14,500,000	14,500,000	14,500,000	14,500,000
Non-voting shares of $0.0001 each	1,500,000	1,500,000	1,500,000	1,500,000	2,500,000

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Shares of $0.0001 each	1	1	1	1	1
Non-voting shares of $0.0001 each	–	–	–	–	–

	As at 1 January 2018 No.	*As at 31 December 2018 No.*	*As at 31 December 2019 No.*	*As at 31 December 2020 No.*	*As at 30 June 2021 No.*
Issued and fully paid					
Shares of $0.0001 each	10,000,000	10,000,000	10,000,000	9,563,881	9,835,484
Non-voting shares of $0.0001 each	–	–	–	–	720,466

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Shares of $0.0001 each	1	1	1	1	1
Non-voting shares of $0.0001 each	–	–	–	–	–

	As at 1 January 2018 No.	*As at 31 December 2018 No.*	*As at 31 December 2019 No.*	*As at 31 December 2020 No.*	*As at 30 June 2021 No.*
Treasury shares					
Shares of $0.0001 each	–	–	–	1,064,120	1,064,120

	As at 1 January 2018 $'000	*As at 31 December 2018 $'000*	*As at 31 December 2019 $'000*	*As at 31 December 2020 $'000*	*As at 30 June 2021 $'000*
Shares of $0.0001 each	–	–	–	–	–

During the year ended 31 December 2020, the Group issued 1,556,737 Shares of $0.0001 each for consideration totalling $20,867,432 (Note 18). Share premium of $20,867,354 has been recognised in respect of this share issue.

During the period ended 30 June 2021, the Group issued 271,603 Shares and 534,256 Non-voting shares of $0.0001 each for consideration totalling $36,320,000 has been recognised in respect of these share issues.

The Group also issued 186,210 Non-voting shares of $0.0001 each in respect of exercised share options. Consideration totalled $633,577 and share premium of $633,558 has been recognised in respect of this share issue.

Shares

Each share entitles the holder to one vote at general meetings of the company, to participate in dividends and to share in the proceeds of winding up the company.

Non-voting shares

Each non-voting share entitles the holder to participate in dividends and to share in the proceeds of winding up the company. There is no right to vote at general meetings of the company.

27. DIVIDENDS

	Year ended 31 December 2018 $'000	*Year ended 31 December 2019 $'000*	*Year ended 31 December 2020 $'000*	*Six months ended 30 June 2021 $'000*
Dividends paid of $3.00 per share (2020: $1.00) (2019: $nil) (2018: $0.04)	375	–	10,000	30,000

28.CASH GENERATED FROM OPERATIONS

	Year ended 31 December 2018	*Year ended 31 December 2019*	*Year ended 31 December 2020*	*Six months ended 30 June 2021*	*Six months ended 30 June 2020 (unaudited)*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Profit for the year	3,168	7,858	64,093	79,451	2,430
Adjustments for:					
Amortisation of intangible assets	2,715	3,512	6,978	4,730	1,455
Depreciation	–	–	–	50	–
Share-based payments	202	192	2,747	13,638	117
Profit on disposal of intangible asset	–	(1,900)	–	(114,976)	–
Fair value losses on contingent consideration	–	–	–	295	–
Foreign exchange	–	–	–	13	–
Deferred tax	101	71	(533)	(358)	–
Movements in working capital:					
Receivables	(894)	(2,694)	(6,693)	8,997	3,327
Payables	1,729	5,468	5,663	(5,641)	625
Cash generated from operations	7,021	12,507	72,255	(13,801)	7,954

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	As at 1 January 2018	*Cash flows*	*Non-cash movements*	*As at 31 December 2018*
	$'000	*$'000*	*$'000*	*$'000*
Cash and cash equivalents	5,312	2,155	–	7,467
Net cash	5,312	2,155	–	7,467

	As at 1 January 2019	*Cash flows*	*Non-cash movements*	*As at 31 December 2019*
	$'000	*$'000*	*$'000*	*$'000*
Cash and cash equivalents	7,467	4,955	–	12,422
Net cash	7,467	4,955	–	12,422

	As at 1 January 2020 $'000	*Cash flows $'000*	*Non-cash movements $'000*	*As at 31 December 2020 $'000*
Cash and cash equivalents	12,422	31,069	38	43,529
Borrowings	–	(240)	–	(240)
Net cash	12,422	30,829	38	43,289

	As at 1 January 2021 $'000	*Cash flows $'000*	*Non-cash movements $'000*	*As at 30 June 2021 $'000*
Cash and cash equivalents	43,529	23,272	–	66,801
Borrowings	(240)	(48)	–	(288)
Net cash	43,289	23,224	–	66,513

29. RELATED PARTY TRANSACTIONS

Interests in subsidiaries are set out in Note 16.

The directors are considered to be the only key management personnel of the group. An analysis of key management personnel compensation is set out below:

	Year ended 31 December 2018 $'000	*Year ended 31 December 2019 $'000*	*Year ended 31 December 2020 $'000*	*Six months ended 30 June 2021 $'000*	*Six months ended 30 June 2020 (unaudited) $'000*
Key management personnel compensation					
Aggregate emoluments	2,074	2,083	4,645	3,610	2,323

Transactions with shareholders

On 12 December 2020, the Group entered into a stock repurchase agreement with a shareholder of the Group to repurchase 1,064,120 Shares of $0.0001 each for $25,836,834. The amount is to be paid in instalments commencing on 31 December 2020 with the last payment being due by 31 December 2021. The amount outstanding at 30 June 2021 is $nil (2020: $20,836,829) (2019: $nil) (2018: $nil). No interest is payable on the balance.

Transactions with other related parties

The Group has distribution agreements with Guangzhou NetEase Computer System Co. ltd., which is a consolidated entity of NetEase, Inc. that directly controls one of the Company's shareholders, NetEase Hong Kong Ltd (collectively, NetEase). NetEase facilitates access for the Group to sell games through specified distribution platforms in Mainland China. In exchange, the Group generally receives an advance at the beginning of the agreement period and remits a stated royalty fee on all game sales to NetEase. The various agreements have terms ranging from three to five years with an optional renewal period.

One of the Group's executive officers has a family member employed by the Group. Related party compensation is established in accordance with the Group's employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions.

30. ULTIMATE CONTROLLING PARTY

The Company's ultimate controlling party is Harry A. Miller IV.

31. POST BALANCE SHEET EVENTS

On July 2 2021, the Group completed the acquisition of a US based video game developing company, Dodge Roll, in exchange for an estimated total consideration of approximately $11,000,000, consisting of cash of $8,000,000 and 88,344 shares of common stock valued at approximately $3,000,000.

In connection with the 35 to 1 stock split effected as a share dividend of 34 shares for every 1 share outstanding pursuant to the Pre-IPO Reorganisation, the aggregate par value of the dividend shares will be transferred from share premium to share capital. Upon completion of the stock split, the share capital of the Company will increase to approximately $40,000.

32. TRANSITION TO IFRS

This is the Group's first consolidated financial information prepared in accordance with IFRS at, and for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and six months ended 30 June 2021. The accounting policies set out in Note 2 have been applied in preparing the financial information for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and six months ended 30 June 2021, and in the preparation of an opening IFRS balance sheet at 1 January 2018 (the Group's date of transition).

In preparing its IFRS balance sheets for the period covered by the Historical Financial Information, the Group has had to adjust amounts reported previously in financial statements prepared under US GAAP as shown below. The 'other adjustments' reflect correction of errors identified in the preparation of the Group's IFRS Historical Financial Information.

Group reconciliation of equity as at 1 January 2018

	As previously reported at 1 January 2018 $'000	*IFRS adjustments $'000*	*Other adjustments $'000*	*As reported under IFRS at 1 January 2018 $'000*
ASSETS				
Intangible assets				
– goodwill	234	61	(295)	–
– other intangibles	–	–	5,133	5,133
Tangible assets	–	–	–	–
Trade and other receivables – within one year	5,144	–	(219)	4,925
Cash and cash equivalents	5,312	–	–	5,312
Total assets	10,690	61	4,619	15,370
EQUITY				
Share capital	1	–	–	1
Share premium	2,927	–	–	2,927
Retained earnings	1,890	61	4,244	6,195
Total equity	4,818	61	4,244	9,123
LIABILITIES				
Trade and other payables	5,092	–	375	5,467
Current tax payable	780	–	–	780
Total liabilities	5,872	–	375	6,247
Total equity and liabilities	10,690	61	4,619	15,370

The adjustments relate to:

IFRS adjustments:

- Reversal of cumulative amortisation charged on goodwill of $61,000, decreasing retained earnings.

Other adjustments:

- Capitalisation of software development costs ($5,133,000), increasing intangible assets and retained earnings due to a restatement for a change in amortisation period.
- Releasing prepaid marketing costs to expenditure ($80,000), decreasing trade and other receivables and retained earnings, due to a change in accounting estimates.
- Recognising goodwill impairment ($295,000), decreasing intangible assets and retained earnings due to a change in accounting policy.
- Recognising opening balance sheet accrual ($375,000), increasing trade and other payables and retained earnings due to the correction of a historic error.

Group reconciliation of total comprehensive income for the year ended 31 December 2018

	As previously reported for year ended 31 December 2018 $'000	*IFRS adjustments $'000*	*Other adjustments $'000*	*As reported under IFRS for year ended 31 December 2018 $'000*
Revenue	42,472	–	–	42,472
Cost of sales	(31,480)	–	(1,589)	(33,069)
Gross profit	10,992	–	(1,589)	9,403
Administrative expenses	(5,120)	164	(1)	(4,957)
Operating profit	5,872	164	(1,590)	4,446
Finance income	22	–	–	22
Profit before taxation	5,894	164	(1,590)	4,468
Income tax expense	(1,300)	–	–	(1,300)
Profit/(loss) for the year	4,594	164	(1,590)	3,168

Group reconciliation of equity as at 31 December 2018

	As previously reported at 31 December 2018 $'000	*IFRS adjustments $'000*	*Other adjustments $'000*	*As reported under IFRS at 31 December 2018 $'000*
ASSETS				
Intangible assets				
– goodwill	59	236	(295)	–
– other intangibles	616	–	6,406	7,022
Trade and other receivables – within one year	8,787	–	(3,081)	5,706
Cash and cash equivalents	7,467	–	–	7,467
Total assets	16,929	236	3,030	20,195
EQUITY				
Share capital	1	–	–	1
Share premium	3,118	–	(191)	2,927
Translation reserve	–	–	–	–
Retained earnings	6,109	236	3,220	9,565
Total equity	9,228	236	3,029	12,493
LIABILITIES				
Trade and other payables	7,236	–	1	7,237
Current tax payable	364	–	–	364
Deferred tax liabilities	101	–	–	101
Total liabilities	7,701	–	–	7,702
Total equity and liabilities	16,929	236	3,030	20,195

The adjustments relate to:

IFRS adjustments:

- Reversal of amortisation charged on goodwill of $175,000, decreasing administrative expenses.
- Graded vesting share-based payment adjustment ($11,000), increasing administrative expenses and increasing retained earnings.

Other adjustments:

- Reallocation of share-based payment charge ($191,000) which had been credited to share premium instead of retained earnings in the previous US GAAP financial statements in error, increasing retained earnings and decreasing share premium.
- Capitalisation of software development costs ($6,406,000), increasing intangible assets and retained earnings and decreasing trade and other receivables and cost of sales, due to a change in accounting estimates due to a restatement for a change in amortisation period.
- Recognising additional amortisation on capitalised software development costs ($2,561,000), increasing cost of sales, due to a restatement for a change in amortisation period.
- Releasing prepaid marketing costs to expenditure ($701,000), decreasing trade and other receivables and retained earnings.
- Recognising goodwill impairment ($295,000), decreasing intangible assets and retained earnings due to a change in accounting policy.

Group reconciliation of total comprehensive income for the year ended 31 December 2019

	As previously reported for year ended 31 December 2019 $'000	*IFRS adjustments $'000*	*Other adjustments $'000*	*As reported under IFRS for year ended 31 December 2019 $'000*
Revenue	60,649	–	(1,900)	58,749
Cost of sales	(43,816)	–	(512)	(44,328)
Gross profit	16,833	–	(2,412)	14,421
Administrative expenses	(5,984)	(50)	1	(6,033)
Other income	–	–	1,900	1,900
Operating profit	10,849	(50)	(511)	10,288
Finance income	161	(100)	–	61
Profit before taxation	11,010	(150)	(511)	10,349
Income tax expense	(2,491)	–	–	(2,491)
Profit for the year	8,519	(150)	(511)	7,858

Group reconciliation of equity as at 31 December 2019

	As previously reported at 31 December 2019 $'000	*IFRS adjustments $'000*	*Other adjustments $'000*	*As reported under IFRS at 31 December 2019 $'000*
ASSETS				
Intangible assets				
– goodwill	30	265	(295)	–
– other intangibles	463	1	12,498	12,962
Trade and other receivables – within one year	18,084	–	(9,685)	8,399
Cash and cash equivalents	12,422	–	–	12,422
Total assets	30,999	266	2,518	33,783
EQUITY				
Share capital	1	–	–	1
Share premium	3,230	–	(303)	2,927
Translation reserve	–	–	–	–
Retained earnings	14,627	266	2,821	17,714
Total equity	17,858	266	2,518	20,642
LIABILITIES				
Trade and other payables	12,061	–	–	12,061
Loans	–	–	–	–
Current tax payable	909	–	–	909
Deferred tax liabilities	171	–	–	171
Total liabilities	13,141	–	–	13,141
Total equity and liabilities	30,999	266	2,518	33,783

The adjustments relate to:

IFRS adjustments:

- Reversal of amortisation charged on goodwill of $30,000, decreasing administrative expenses.
- Graded vesting share-based payment adjustment ($80,000), increasing administrative expenses and increasing retained earnings.
- Reallocation of other income ($100,000) to equity as a capital contribution, decreasing finance income.

Other adjustments:

- Reallocation of share-based payment charge ($303,000) which had been credited to share premium instead of retained earnings in the previous US GAAP financial statements in error, increasing retained earnings and decreasing share premium.
- Capitalisation of software development costs ($12,498,000), increasing intangible assets and decreasing trade and other receivables and cost of sales due to a restatement for a change in amortisation period.
- Recognising additional amortisation on capitalised software development costs ($3,358,000), increasing cost of sales, due to a restatement for a change in amortisation period.
- Releasing prepaid marketing costs to expenditure ($718,000), decreasing trade and other receivables and retained earnings.
- Recognising goodwill impairment ($295,000), decreasing intangible assets and retained earnings due to a change in accounting policy.
- Reallocation of gain on sale of IP to other income ($1,900,000), decreasing revenue and increasing other income due to the correction of a historic classification error.

Group reconciliation of total comprehensive income for the year ended 31 December 2020

	As previously reported for year ended 31 December 2020 $'000	*IFRS adjustments $'000*	*Other adjustments $'000*	*As reported under IFRS for year ended 31 December 2020 $'000*
Revenue	212,738	–	–	212,738
Cost of sales	(132,549)	–	11,505	(121,044)
Gross profit	80,189	–	11,505	91,694
Administrative expenses	(12,582)	(1,084)	(867)	(14,533)
Operating profit	67,607	(1,084)	10,638	77,161
Finance costs	–	–	(104)	(104)
Finance income	100	1	–	101
Profit before taxation	67,707	(1,083)	10,534	77,158
Income tax expense	(11,456)	–	(1,609)	(13,065)
Profit for the year	56,251	(1,083)	8,925	64,093

Group reconciliation of equity as at 31 December 2020

	As previously reported at 31 December 2020 $'000	*IFRS adjustments $'000*	*Other adjustments $'000*	*As reported under IFRS at 31 December 2020 $'000*
ASSETS				
Intangible assets				
– goodwill	156	298	(295)	159
– other intangibles	23,253	1	28,319	51,573
Tangible assets	52	–	–	52
Investments	1,294	–	–	1,294
Deferred tax assets	177	–	185	362
Trade and other receivables – within one year	32,857	–	(16,649)	16,208
Cash and cash equivalents	43,529	–	–	43,529
Total assets	101,318	299	11,560	113,177
EQUITY				
Share capital	1	–	–	1
Share premium	–	–	–	–
Retained earnings	59,769	299	11,444	71,512
Total equity	59,770	299	11,444	71,513
LIABILITIES				
Trade and other payables – within one year	40,388	–	116	40,504
Trade and other payables – over one year	920	–	–	920
Loans	240	–	–	240
Current tax payable	–	–	–	–
Deferred tax liabilities	–	–	–	–
Total liabilities	41,548	–	116	41,664
Total equity and liabilities	101,318	299	11,560	113,177

The adjustments relate to:

IFRS adjustments:

- Reversal of amortisation charged on goodwill of $32,000, decreasing administrative expenses.
- Graded vesting share-based payment adjustment ($1,116,000), increasing administrative expenses and increasing retained earnings.

Other adjustments:

- Capitalisation of software development costs ($28,319,000), increasing intangible assets and retained earnings and decreasing trade and other receivables and cost of sales due to a restatement for a change in amortisation period.
- Recognising additional amortisation on capitalised software development costs ($6,354,000), increasing cost of sales due to a restatement for a change in amortisation period.
- Releasing prepaid marketing costs to expenditure ($477,000), decreasing trade and other receivables and retained earnings.
- Recognising goodwill impairment ($295,000), decreasing intangible assets and retained earnings due to a change in accounting policy.
- Recognising an additional tax charge ($1,609,000), increasing taxation charge and decreasing retained earnings. Increasing deferred tax assets ($185,000), decreasing prepaid income tax ($1,678,000) and increasing current tax payable ($116,000) due to the tax impact of the above adjustments.

PART V

CORPORATE GOVERNANCE

As a company that will be admitted to trading on AIM, the Company is not required to adopt a specific corporate governance code. However, it is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and have decided to adopt the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Company will comply with the ten principles of the QCA Code, with effect from Admission as detailed below.

Principle 1: Establish a strategy and business model which promote long-term value for Shareholders

The Group's business model and strategy is set out in Part I of this document. The Directors believe that the Group's model and growth strategy helps to promote long-term value for Shareholders. An update on strategy will be given from time to time in the Strategic Report that is included in the annual report and accounts of the Group.

The principal risks facing the Group are set out in Part III of this document. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission, including implementing a risk management framework and maintaining a risk register.

Principle 2: Seek to understand and meet Shareholder needs and expectations

In due course following Admission, the Company's annual report and notice of its annual meeting will be sent to all Shareholders and will be available for download from the Company's website.

There will be an active dialogue maintained with Shareholders. Shareholders will be kept up-to-date via announcements made through a Regulatory Information Service on matters of material substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected material deviations from market expectations will be announced through a Regulatory Information Service. The Company's annual meeting will be an opportunity for Shareholders to meet with the Executive Chairman, Senior Independent Director and other members of the Board. The meeting will be open to all Shareholders, giving them the opportunity to ask questions and raise issues during the formal business of the meeting or, more informally, following the meeting. The result of the annual meeting will be announced through a Regulatory Information Service.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored and the Company intends to engage with Shareholders who do not vote in favour of resolutions at annual meetings.

There is also a designated email address for Investor Relations: ir@devolverdigital.com, and all contact details are included on the Group's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including Shareholders, staff, customers and gaming platforms and developers that it partners with as part of its business strategy. The Executive Directors will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day-to-day running of the business.

Given the nature of the business, the risks of it having a negative environmental or sustainability impact are limited. Nevertheless, the Board believes it is important to articulate and support key environmental, social and governance goals throughout the Group. Further details of the Company's Environmental, Social and Governance policy are set out in paragraph 19 of Part I of this document.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks facing the Group are set out in Part III of this document. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission. A review of these risks will be carried out at least on an annual basis, the results of which will be included in the Annual Report and Accounts going forward.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has also established the Audit Committee, the terms of reference of which include items relating to identifying and managing risks relating to the Group.

Principle 5: Maintain the Board as a well-functioning, balanced team, led by the Chairman

On Admission, the Board will comprise the following persons:

- The Executive Chairman;
- Senior Independent Director;
- three Independent Non-Executive Directors; and
- two Executive Directors.

The biographies of the Directors are set out in paragraph 8.1 of Part I of this document. The Senior Independent Director, Kate Marsh, and Non-Executive Directors Jeffrey Lyndon Ko, Janet Astall and Joanne (Jo) Goodson are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. The Executive Chairman, Harry Miller, is well supported by independent and experienced Directors and Senior Independent Director with clearly defined roles and responsibilities. The Board as a whole will be collectively responsible for the success of the Group, and the proposed structure provides leadership of the Group within the framework of effective controls.

The division of responsibilities between the Executive Chairman, the Chief Executive and the Senior Independent Director will be agreed by the board. Kate Marsh, the Senior Independent Director, will lead the independent non-executive directors on matters where independence is required. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward at each meeting, democratically. Additionally, the governance architecture has been designed to empower the independent members of the Board through the various Committee structures.

The Board is also supported by the Audit Committee, the Remuneration Committee and the Nomination Committee, further details of which are set out in paragraph 18 of Part I of this document. The Nomination Committee will keep the composition of the Board under regular review, taking into account the relevant skills, experience, independence, knowledge and diversity of the Board.

The Directors are divided into three classes, designated as Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of Directors constituting the entire Board. At each annual meeting, one class will offer themselves up for re-election.

The Board will meet regularly and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out in paragraph 8 of Part I of this document.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to drive the Group forward.

The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, *inter alia*, the AIM Rules and from the Company's Solicitors, Fieldfisher LLP, in the United Kingdom in respect of continued compliance with, *inter alia*, the AIM Rules for Companies and UK MAR.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider the effectiveness of the Board, Audit Committee, Remuneration Committee, and individual performance of each Director. The Company has a Nomination Committee which will conduct a regular assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective. There will also be an annual overall board assessment, and a periodic independent assessment of the Board. The outcomes of performance will be described in the Annual Report and Accounts of the Group.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its staff and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

The culture is set by the Board and is regularly considered and discussed at Board meetings.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Executive Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit Committee, the Remuneration Committee and the Nomination Committee, further details of which are set out in paragraph 19 of Part I of this document. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advice, as necessary, to enable the committee to fulfil its duties.

The Board intends to review the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders

Responses to the principles of the QCA Code and the information that will be contained in the Company's Annual Report and Accounts provide details to all stakeholders of how the Company is governed. The Board is of the view that the Annual Report and Accounts, as well as its half year report, are key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to Shareholders following Admission.

Additionally, the Board will use the Company's annual meetings as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress.

To this end, the Board will endeavor to hold an annual meeting no later than six months after the end of the Company's fiscal year. At the annual meeting, amongst other business, the Board will lay the Company's audited annual financial statements before the meeting and seek Shareholder ratification of the Company's appointment of auditors. In the event the Shareholders do not ratify the Company's appointment of auditors, the Audit Committee will engage with the Shareholders to receive feedback about the Company's auditors and consider engaging replacement auditors.

The Company's website will be updated on a regular basis with information regarding the Group's activities and performance, including financial information.

There is also a designated email address for Investor Relations: ir@devolverdigital.com, and all contact details are included on the Group's website.

PART VI

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names and functions are set out in paragraph 8 of Part I 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 and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. All of the Directors accept individual and collective responsibility for compliance with the AIM Rules for Companies.

2. The Company

2.1 The Company was formed as a limited liability company in Delaware on 26 March 2008 under the name GHI Media, LLC. On 1 November 2017, the Company filed a Certificate of Conversion with the Secretary of State of the State of Delaware and converted to a corporation under the Company's current name, Devolver Digital, Inc.

2.2 The principal legislation under which the Company operates is the General Corporation Law of the State of Delaware ("**DGCL**").

2.3 The liability of the Company's Shareholders is limited.

2.4 The Company's registered office is located at 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, USA. The Company's registered agent at such registered office is Corporation Service Company. The Company has no principal place of business as its employees all work remotely. The Company's telephone number is +1 425-331-9075.

2.5 Other than the Board, the Company has the Remuneration Committee, the Audit Committee and the Nomination Committee.

3. The Subsidiaries

3.1 On Admission, the Company will be the holding company of the following subsidiaries (held directly or indirectly):

Name	*Country of incorporation or organisation*	*Ownership interest*	*Principal activity*
Dodge Roll, LLC	Texas, US	Devolver Digital, Inc. – 100%	Game developer
Gambitious B.V.	The Netherlands	Devolver Digital, Inc. – 100%	Game publisher
GS Capital B.V.	The Netherlands	Gambitious B.V. – 95% (Perfect World Europe B.V. – 5%)	Investment company
GSE USA, LLC	Texas, US	Gambitious B.V. – 100%	Investment company
Nerial Ltd	England and Wales	Devolver Digital, Inc. – 100%	Game developer
Firefly Holdings Limited	England and Wales	Devolver Digital, Inc. – 100%	Game developer
Firefly Studios Limited	England and Wales	Firefly Holdings Limited – 100%	Game developer
Firefly Studios Inc.	Delaware, US	Firefly Holdings Limited – 100%	Game developer
ABEST d.o.o.	Croatia	Devolver Digital, Inc. – 100%	Game developer
Artificer Games Sp. Z.o.o.	Poland	Gambitious B.V. – 85% Kacper Szymczak – 15%	Game developer
Devolver Digital Games Limited	England and Wales	Devolver Digital, Inc. – 100%	Game developer

4. Share Capital

4.1 As at the date of this document, subject at all times to the provisions described in paragraphs 7.2 and 7.6 of this Part VI, the Company is authorised to issue up to 2,975,000,000 shares of common stock (such figure being the maximum number of shares (following the 35 to 1 stock split pursuant to the Pre-IPO Reorganisation) that the Company is authorised to issue under Delaware law without having to amend the certificate of incorporation).

4.2 Set out below are details of the issued share capital of the Company (i) as at the date of this document and (ii) as it will be immediately on Admission:

As at the date of this document			*On Admission*		
Class of Share	*Number*	*Aggregate Par Value ($)*	*Class of Share*	*Number*	*Aggregate Par Value ($)*
Common Stock	10,702,188	1,070	Common Stock	442,256,716	44,226
Non-Voting Shares	720,466	72	Non-Voting Shares	Nil	Nil

4.3 In addition to the 11,422,654 Shares in issue and outstanding as at the date of this document, there are a further 1,064,120 Treasury Shares which are held by the Company itself in treasury.

4.4 The changes in the amount of the issued share capital of the Company which occurred during the 3 years covered by the Historical Financial Information are as follows:

(a) on 10 January 2020, the Company repurchased 150,376 Shares from Mr. Wilson at a price per share of USD 6.65 pursuant to the stock repurchase agreements, details of which are in paragraph 13.16 of this Part VI;

(b) on 7 October 2020, the Company issued 1,556,737 Shares to the Croteam Sellers pursuant to the Croteam SPA;

(c) on 12 December 2020, the Company repurchased 1,064,120 Shares from Mr. Wilson at a price per share of USD 24.28 pursuant to the stock repurchase agreements, details of which are in paragraph 13.16 of this Part VI;

(d) on 7 January 2021, the Company issued 534,256 Non-Voting Shares to the Gambitious Sellers pursuant to the Gambitious SPA;

(e) on 29 April 2021, the Company issued 155,017 Shares to the Nerial Sellers pursuant to the Nerial SPA;

(f) on 24 June 2021, the Company issued 116,586 Shares to the Firefly Sellers pursuant to the Firefly SPA; and

(g) on 2 July 2021, pursuant to a stock purchase agreement, the Company issued 88,344 Shares to the Dodge Roll Sellers pursuant to the Dodge Roll SPA.

In addition, the following option exercises have taken place over the same period:

(h) on 7 April 2021, 25,000 Options were exercised at an exercise price of USD 2.49, and as a result a total of 25,000 Non-Voting Shares were issued;

(i) on 7 April 2021, 18,333 Options were exercised at an exercise price of USD 6.2229, and as a result a total of 18,333 Non-Voting Shares were issued;

(j) on 8 April 2021, 15,500 Options were exercised at an exercise price of USD 2.49, and as a result a total of 15,500 Non-Voting Shares were issued;

(k) on 8 April 2021, 8,924 Options were exercised at an exercise price of USD 2.49, and as a result a total of 8,924 Non-Voting Shares were issued;

(l) on 8 April 2021, 7,140 Options were exercised at an exercise price of USD 2.49, and as a result a total of 7,140 Non-Voting Shares were issued;

(m) on 8 April 2021, 3,347 Options were exercised at an exercise price of USD 6.2229, and as a result a total of 3,347 Non-Voting Shares were issued;

(n) on 9 April 2021, 44,623 Options were exercised at an exercise price of USD 2.49, and as a result a total of 44,623 Non-Voting Shares were issued;

(o) on 9 April 2021, 28,000 Options were exercised at an exercise price of USD 2.49, and as a result a total of 28,000 Non-Voting Shares were issued;

(p) on 9 April 2021, 3,500 Options were exercised at an exercise price of USD 2.49, and as a result a total of 3,500 Non-Voting Shares were issued;

(q) on 9 April 2021, 20,081 Options were exercised at an exercise price of USD 2.49, and as a result a total of 20,081 Non-Voting Shares were issued;

(r) on 9 April 2021, 6,693 Options were exercised at an exercise price of USD 6.2229, and as a result a total of 6,693 Non-Voting Shares were issued;

(s) on 9 April 2021, 3,000 Options were exercised at an exercise price of USD 15.11, and as a result a total of 3,000 Non-Voting Shares were issued;

(t) on 9 April 2021, 569 Options were exercised at an exercise price of USD 15.11, and as a result a total of 569 Non-Voting Shares were issued; and

(u) on 9 April 2021, 1,500 Options were exercised at an exercise price of USD 15.11, and as a result a total of 1,500 Non-Voting Shares were issued.

4.5 Prior to Admission, the Company will effect the Pre-IPO Reorganisation which will include:

(a) the reclassification of all Non-Voting Shares as Shares on a 1:1 basis;

(b) the 35 to 1 stock split effected by way of a share dividend of 34 Shares for every 1 Share outstanding, the aggregate par value of the dividend shares will be transferred from share premium to share capital (upon completion of the stock split, the share capital of the Company will increase to approximately $40,000); and

(c) filing an amended and restated certificate of incorporation as described below.

4.6 The Placing will result in the issue of 21,288,428 New Placing Shares on Admission, and the Subscription will result in the issue of 1,990,568 Subscription Shares on Admission, diluting holders of Existing Shares immediately prior to Admission by 5.5 per cent. In addition, the Company shall issue the Contingent Consideration Shares, the Options Shares and the Options Sale Shares resulting in a total dilution of holders of Existing Shares of 9.6 per cent.

4.7 Save as set out in this Part VI:

(a) no share or loan capital of the Company has been issued or is proposed to be issued;

(b) there are no Shares in the Company not representing capital;

(c) there are no other Shares in the Company held by or on behalf of the Company itself;

(d) there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

(e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital; and

(f) no share or loan capital of the Company is under option and the Company has not agreed conditionally or unconditionally to put any share or loan capital of the Company under option.

5. CREST

5.1 CREST is a paperless settlement system enabling title to securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument, in accordance with the CREST Regulations. Placees who have asked to hold their Shares in uncertificated form will have their CREST accounts credited with Depositary Interests on the day of Admission. Note, however, that the Placing Shares are being offered to persons who are not US Persons or acting for the account or benefit of any US Persons and are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, offering restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Shares. Certifications, acknowledgments and agreements must be made through the CREST system by those acquiring or withdrawing the Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Existing Shares, Subscription Shares, Contingent Consideration Shares and Shares held by Affiliates of the Company shall be held in book entry or certificated form and, accordingly, settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable.

5.2 The holders of the Shares will participate on a *pari passu* basis and 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 Shares. Each Share affords the holder of such Share the right to one vote. Subject to the provisions of Part VII, there are no restrictions on the transferability of the Shares.

5.3 The New Placing Shares will be issued on Admission, which is expected to occur on 4 November 2021. The ISIN of the Shares is USU0858L1036.

6. Share Schemes

6.1 The Company currently operates the Existing Share Plan, under which its Directors, officers, employees and consultants are eligible to receive awards over the Non-Voting Shares. The 1,479,692 Non-Voting Shares are reserved for issuance under the Existing Share Plan, of which certain of the Directors and the Group's employees currently hold non statutory options over a total of 1,267,990 Non-Voting Shares.

All Non-Voting Shares shall be converted into Shares pursuant to the Pre-IPO Reorganisation immediately prior to Admission.

The Company does not intend to make any further grants of Options under the Existing Share Plan after Admission. Accordingly, the details set out below relate only to those Options which are in existence as at Admission. The Company currently intends to put a new option arrangement in place (whether by adopting a new plan or amending and restating the Existing Share Plan) within the first twelve months of Admission. The terms of such plan will be adopted by the Board subject to shareholder approval.

To the extent an award granted under the Existing Share Plan expires or otherwise terminates without having been exercised or paid in full, or is settled in cash, the shares subject to such award will become available for future grant under the Existing Share Plan. In addition, to the extent shares subject to an award granted under the Existing Share Plan are withheld to satisfy a participant's tax withholding obligation upon the exercise or settlement of such award (other than any substitute award) or to pay the exercise price of a stock option or are forfeited or repurchased by the Company, such shares will become available for future grant under the Existing Share Plan.

The purposes of the Existing Share Plan are to align the interests of the Company's shareholders and those eligible for awards, to retain officers, directors, employees and other service providers, and to encourage them to act in the Group's long-term best interests. The Existing Share Plan provides for the grant of incentive stock options (within the meaning of Code Section 422), non statutory stock options, stock appreciation rights, restricted stock awards, restricted stock units and other share awards.

A summary of the material provisions of the Existing Share Plan is set out below. This is a description of significant rights and does not purport to be complete or exhaustive.

Plan Administration

The Board administers the Existing Share Plan, and may delegate administration to a committee of one or more Directors.

The plan administrator has the power to determine who will be granted share awards, when and how each share award will be granted, what type of share award will be granted, the provisions of each share award (which need not be identical), and the number of Non-Voting Shares subject to, or the cash value of, a share award.

Exercise/Purchase Price

The value of the Non-Voting Shares applicable to a share award is determined by the Board in accordance with Section 409(a) of the Code or, in the case of an incentive stock option, in accordance with Section 422 of the Code ("Fair Market Value"). The exercise price of any Option generally may not be less than 100 per cent. of the Fair Market Value on the date that the Option is granted. The Board may, after receiving the consent of any adversely affected participant, reduce the exercise, purchase or strike price of any outstanding share award, or take any other action that is treated as repricing under generally accepted accounting principles.

Options

The vesting provisions may vary and the Non-Voting Shares subject to an Option may vest and become exercisable in periodic instalments that may or may not be equal. Generally, the Option vesting schedule normally provides for vesting of 25 per cent. of the Options on the first anniversary of the vesting commencement date and the remainder in a series of 36 equal monthly instalments

thereafter. No Option may be exercisable after the expiration of 10 years from the date of its grant or such shorter period specified in a Stock Award agreement. The Board may impose, in its sole discretion, limitations on the transferability of Options. In the absence of any determination to the contrary, an Option may not be transferable except by will or by the laws of descent and distribution, subject to certain exceptions, including pursuant to a marital settlement. Options may include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Non-Voting Shares acquired by the participant pursuant to the exercise of the Option. Options may also include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the participant of the intent to transfer all or any part of the Non-Voting Shares received upon the exercise of the Option. The right of repurchase and right of first refusal are subject to the limitation discussed below under the subheading "Repurchase Limitation".

Restricted Stock Awards

Restricted stock awards provide for the issuance of Non-Voting Shares upon grant and, subject to the limitation discussed below under the subheading "Repurchase Limitation", may be subject to forfeiture to the Company in accordance with a vesting schedule that is determined by the Board. If a participant's service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the Non-Voting Shares held by the participant that have not vested as of the date of termination.

Restricted Stock Unit Awards

Restricted stock unit awards provide for the issuance of Non-Voting Shares upon the satisfaction of the vesting conditions. The Board may impose such restrictions at the time of the grant of the restricted stock unit award on or conditions to vesting as it deems appropriate. The Board may also impose such restrictions or conditions that delay the delivery of Non-Voting Shares (or their cash equivalent) subject to a restricted stock unit award to a time after vesting. The portion of any restricted stock unit award that has not vested will be forfeited upon the participant's termination of service.

Repurchase Rights and Rights of First Refusal

All Non-Voting Shares issued pursuant to an Option or stock appreciation rights are subject to repurchase rights and right of first refusal by the Company in the event the participant's service with the Group terminates. If the repurchase right is exercised, the repurchase price for vested Non-Voting Shares will be the fair market value of the Non-Voting Shares on the date of repurchase. The repurchase price for unvested Non-Voting Shares will be the lower of (i) the fair market value of the Non-Voting Shares on the date of repurchase or (ii) their original purchase price. Unless otherwise specified by the Board, the Company may not exercise its repurchase right until at least six months (or such shorter or longer time to avoid classification of the share award as a liability for accounting purposes) have elapsed following delivery of Non-Voting Shares subject to the share award.

Termination of Options After Leaving Group

Except as otherwise provided in the applicable share award agreement or other agreement between the participant and the Company, if a participant's service with the Group terminates (other than for cause, death or disability), the participant may exercise his or her Option (to the extent that the participant was entitled to exercise such share award as of the date of termination) within the period of time ending on the earlier of (i) the date three months following the termination of service (or such longer or shorter period specified in the applicable share award agreement, which period will not be less than 30 days unless such termination is for cause) and (ii) the expiration of the term of the Option as set forth in the share award agreement. If, after termination of service, the participant does not exercise his or her Option within the applicable timeframe, the Option will terminate.

Unless otherwise provided, if a participant's service terminates as a result of the participant's disability, the participant may exercise his or her Option (to the extent that the participant was entitled to exercise such share award as of the date of termination) within such period of time ending on the earlier of (i) the date 12 months following the termination of service (or such longer or shorter period specified in the share award agreement, which period will not be less than six months unless such termination is for cause), and (ii) the expiration of the term of the Option as set forth in the share award agreement.

If, after termination of service, the participant does not exercise his or her Option within the applicable timeframe, the Option will terminate.

Unless otherwise provided, if (i) a participant's service terminates as a result of the participant's death, or (ii) the participant dies within the period (if any) specified in the share award agreement for exercisability after the termination of the participant's service (for a reason other than death), then the Option may be exercised (to the extent the participant was entitled to exercise such Option as of the date of death) by the participant's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the Option upon the participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the share award agreement, which period will not be less than six months unless such termination is for cause), and (ii) the expiration of the term of such Option as set forth in the share award agreement. If, after the participant's death, the Option is not exercised within the applicable timeframe, the Option will terminate.

Unless otherwise explicitly provided, if a participant's service is terminated for cause, the Option will terminate immediately, and the participant is prohibited from exercising his or her Option from and after the date of such termination.

Certain Adjustments

In the event of a corporate transaction, such as a change of control, the Board may, among other matters, arrange for the surviving or acquiring company to assume or continue the share award or substitute a similar award, or accelerate the vesting of the share award to a date prior to the effective time of such corporate transaction as the Board determines. The Board may take different actions with respect to the vested and unvested portions of a share award. A share award may be subject to additional acceleration of vesting and exercisability upon or after a change in control as may be provided in the share award agreement for such share award.

If any change is made in the Shares, without the receipt of consideration by the Company, such as through a stock split, stock dividend, extraordinary distribution, recapitalization, combination of shares, exchange of shares or other similar transaction, appropriate adjustments will be made in the number, class and price of shares subject to each outstanding award and the numerical share limits contained in the plan. As a result of the proposed Pre-IPO Reorganisation, contemporaneously with Admission, each outstanding Option and each future share award will be for Shares.

Admission will not trigger an acceleration of vesting of any share award under the Existing Share Plan.

Amendment

The Board has the right to amend the Existing Share Plan in any respect that the Board deems necessary or advisable. If required by applicable law or the AIM Rules for Companies, the Company will seek Shareholder approval of any amendment of the Existing Share Plan that (A) materially increases the number of Shares available for issuance under the Existing Share Plan, (B) materially expands the class of individuals eligible to receive share award under the Existing Share Plan, (C) materially increases the benefits accruing to participants under the Existing Share Plan, (D) materially reduces the price at which Shares may be issued or purchased under the Existing Share Plan, (E) materially extends the term of the Existing Share Plan, or (F) materially expands the types of share award available for issuance under the Existing Share Plan. Generally, no amendment of the Existing Share Plan may materially impair a participant's rights under an outstanding share award without the participant's written consent.

The Company intends to amend and restate its Existing Share Plan to further incentivise its employees and management within the first twelve months of Admission. The adoption of the amended and restated plan will be subject to shareholder approval.

Termination

The Board is allowed to suspend or terminate the Existing Share Plan at any time. The Existing Share Plan will expire on 2 November 2027, unless terminated earlier by the Board. No share award may be granted under the Existing Share Plan after it is terminated.

6.2 As at the date of this document, the Directors and Senior Managers hold the following interests in Options:

Director/ Senior Manager	*Date of Award*	*Exercise Price*	*Expiration Date*	*Total number of Options held as at the date of this Document*	*Total number of Options held on Admission*	*Exercise Price on Admission following Pre-IPO Reorgan-isation*[1]
Douglas Morin	4 November 2020	$15.11	3 November 2030	115,500	4,042,500	£0.33
	1 April 2021	$15.11	31 March 2031			£0.31
	27 August 2021	$23.90	26 August 2031			£0.50
Daniel Widdicombe	27 August 2021	$23.90	26 August 2031	115,000	3,220,000	£0.50
Brian Chadwick	27 August 2021	$23.90	26 August 2031	70,000	2,364,950	£0.50
Andrew Parsons	29 December 2018	$2.49	28 December 2028	95,000	2,455,495	£0.06
	1 April 2021	$15.11	31 March 2031			£0.31
Sarah Seaby	27 August 2021	$23.90	26 August 2031	20,000	700,000	£0.50
Luke Vernon	22 April 2020	$6.22	21 April 2030	52,167	1,394,190	£0.14
	1 April 2021	$15.11	31 March 2031			£0.31
John Bartkiw	29 December 2018	$2.49	28 December 2028	45,500	1,381,310	£0.06
	1 April 2021	$15.11	31 March 2031			£0.31

On Admission 40,490,310 Options and warrants will be outstanding, of which 10,856,160 are vested. The remaining balance will vest over the next 35 months.

6.3 In addition to the above Options, the Company granted the former shareholders of Nerial and Abest the power to direct the Company to grant further Options (with a remaining maximum aggregate amount of 15,000 and 9,524, respectively) to the employees and contractors, and in such amounts, as designated by such former shareholders. As at the date of this document, the former shareholders of Nerial and Abest have not fully exercised this right.

7. Certificate of Incorporation and Bylaws

The following is a summary of certain provisions of the Certificate of Incorporation, Bylaws and provisions of the DGCL that apply to the Company as in effect from Admission. Certain provisions have been incorporated into the Certificate of Incorporation and Bylaws to enshrine rights that are not conferred by the provisions of DGCL, but which the Company believes Shareholders would expect to see in a company whose shares are admitted to trading on AIM.

7.1 ***Objects***

The Company may, and is authorised by its Certificate of Incorporation to, engage in any lawful act or activity which corporations may be engaged in under the DGCL.

7.2 ***Authorised Shares***

The Certificate of Incorporation authorises the Company to issue up to 2,975,000,000 (such figure being the maximum number of shares (following the 35 to 1 stock split pursuant to the Pre-IPO Reorganisation) that the Company is authorised to issue under Delaware law without having to amend the certificate of incorporation) shares of common stock to be designated as Shares and no other classes or series of capital stock. Notwithstanding the foregoing, the Certificate of Incorporation provides that the Company may not allot or issue any Shares unless approved by the Shareholders by the affirmative vote of at least a majority of the Shares present in person or represented by proxy at a meeting and entitled to vote on the matter except in connection with (i) the placing or sale for cash of Shares in connection with the Fundraising and Admission, (ii) options or Shares previously or to be granted to employees, executive officers, directors, consultants, contractors or advisors under, and the issuance of Shares pursuant to benefits granted under, the Company's Existing Share Plan, or any share option or equity incentive plan hereafter adopted by the Company and subject to any corporate governance code adopted by the Company, (iii) options or Shares to be granted to employees, consultants, contractors or other third parties under commitments in effect immediately

[1] Rounded to nearest pence

prior to the Admission, or (iv) Shares issued upon exercise of any outstanding warrants or options before or as of immediately prior to the Admission.

The Company intends to obtain an annual authorisation to allot and issue Shares at each annual meeting for a proportion of Shares in line with institutional investor guidelines in force from time to time. In accordance with UK investor guidelines, prior to Admission, the Company's Shareholders adopted resolutions to authorise the Board to allot and issue up to one-third of the issued share capital of the Company whether for cash or non-cash consideration, with ten per cent. of such authority able to be used by the Company to issue Shares for cash consideration and free of the Shareholders' pre-emption rights which are contained in the Certificate of Incorporation, which such authorities expiring at the next annual meeting of its Shareholders.

7.3 ***Shares***

(a) *Voting Rights*

Each holder of Shares is entitled to one vote for each Share held by such holder. The Bylaws provide that the holders of one-third of all Shares entitled to vote on a matter, represented by Shareholders of record in person or by proxy, shall constitute a quorum, unless otherwise required by law, the Company's Certificate of Incorporation or the Bylaws. If a quorum is present at a meeting of the Shareholders, then the affirmative vote of a majority of the Shares present in person or represented by proxy at the meeting and entitled to vote on the applicable matter shall be the act of the Shareholders, unless the vote of a greater number of Shareholders of voting classes is required by law, the Company's Certificate of Incorporation or the Bylaws. If a quorum is present at a meeting of the Shareholders at which any directors are to be elected, such directors shall be elected by a majority of the votes of the Shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

(b) *Issue of Shares*

The Company may issue Shares from time to time for such consideration as may be fixed by the Board, provided, however, that the consideration to be received for any Shares subject thereto shall not be less than the par value thereof. Shares so issued for which the consideration shall have been paid or delivered to the Company shall be deemed fully paid Shares and shall not be liable to any further call or assessment thereon, and the holders of such Shares shall not be liable for any further payments in respect of such Shares.

7.4 ***Dividends***

Holders of Shares are entitled to receive dividends when, as and if declared by the Board or any authorised committee of the Board out of funds legally available for such purposes. Dividends may be paid in cash, in property or in Shares, unless otherwise provided by applicable law or the Certificate of Incorporation.

7.5 ***Rights upon liquidation, dissolution or winding-up***

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of Shares shall be entitled to receive all the assets of the Company available for distribution to its Shareholders, rateably in proportion to the number of Shares held by them.

7.6 ***Pre-emptive rights***

The Certificate of Incorporation provides that unless otherwise determined in a meeting of Shareholders by the affirmative vote of at least 75 per cent of the Shares present in person or represented by proxy at the meeting and entitled to vote on the matter, each Shareholder shall have a pre-emptive right to subscribe for its pro rata share of Shares (with certain exceptions) that the Company may, from time to time, propose to issue wholly for cash, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in their exclusive discretion to deal with fractional entitlements or legal or practical problems under the laws of any country, territory or political subdivision thereof, or the requirements of any regulatory authority or stock exchange in any jurisdiction. Such pre-emptive rights do not apply to (i) the placing or sale for cash of Shares in connection with the Fundraising and Admission, (ii) options or Shares previously or to be granted to

employees, executive officers, directors, consultants, contractors or advisors under, and the issuance of Shares pursuant to benefits granted under, the Company's Existing Share Plan, or any share option or equity incentive plan hereafter adopted by the Company and subject to any corporate governance code adopted by the Company, (iii) options or Shares to be granted to employees, consultants, contractors or other third parties under commitments in effect immediately prior to the Admission, or (iv) Shares issued upon exercise of any outstanding warrants or options before or as of immediately prior to Admission. The Company intends to obtain an annual dis-application of pre-emptive rights at each annual meeting of Shareholders for a proportion of Shares in line with institutional investor guidelines in force from time to time. Prior to Admission, the Company's Shareholders adopted resolutions to authorise the Board to issue up to 10% of the issued share capital for cash consideration free of pre-emptive rights until the next annual meeting of Shareholders.

7.7 ***Meetings of Shareholders***

The Bylaws provide for an annual or special meeting of Shareholders called in accordance with the Bylaws.

The Bylaws provide for an annual meeting of the Shareholders for the election of Directors and for the transaction of such other business as may properly come before the meeting. A special meeting of the Shareholders for any purpose or purposes may be called at any time only by a resolution adopted by a majority of the Directors then in office. In contrast, for UK companies, holders of at least 5 per cent of the outstanding share capital may request a general meeting of Shareholders to be called and may propose resolutions to be voted on at the meeting. These provisions might delay the ability of Shareholders to force consideration of a proposal (such as a takeover) or for Shareholders to take any action, including the removal of directors.

The quorum for an annual or special meeting of Shareholders is the holders of one-third of all Shares entitled to vote on a matter, represented by Shareholders of record in person or by proxy.

7.8 ***Method of appointing proxy***

Shareholders of record may vote at any meeting by appointing a proxy in accordance with applicable laws.

7.9 ***Directors***

(a) *Powers of Directors*

Subject to the provisions of the Certificate of Incorporation, the Bylaws and applicable law, the business and property of the Company shall be managed by the Board.

(b) *Number of Directors*

The Certificate of Incorporation provides that the Board shall consist of one or more members. The initial number of Directors shall be seven, and thereafter, unless otherwise required by law, the number of Directors shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board.

(c) *Resignation and Removal*

A Director may resign at any time by giving notice to the Company. A Director may be removed before the expiration of such Director's term of office but only for cause and by the affirmative vote of a majority of the Shares entitled to vote in the election of directors.

(d) *Vacancies*

In the case of any vacancy on the Board, including a vacancy resulting from an increase in the number of Directors authorised to serve on the Board, such vacancy may be filled solely by the vote of a majority of the remaining Directors (whether constituting a quorum or not) and not by the Shareholders. These provisions may prevent a shareholder from increasing the size of the Board and gaining control of the Board by filling the resulting vacancies with its own nominees.

(e) *Appointment*

Each Director serves for a term ending on the date of the third annual meeting following the annual meeting at which such Director was elected, with the initial Directors serving as follows:

Class I (term expiring at 2022 annual meeting) –
Harry August Miller IV and Karen (Kate) Elizabeth Marsh

Class II (term expiring at 2023 annual meeting) –
Douglas Graham Morin and Joanne (Jo) Goodson

Class III (term expiring at 2024 annual meeting) –
Daniel Widdicombe, Jeffrey Lyndon Ko and Janet Astall

The existence of a classified Board might have the effect of delaying a successful tender offeror from obtaining majority control of the Board, and the prospect of that delay might deter a potential offeror.

(f) *Action without a Meeting*

The Bylaws provide that, unless otherwise restricted by the Certificate of Incorporation or the Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting by the consent in writing of all the Directors or members of the committee as the case may be (such written consents to be filed with the minutes of proceedings of the Board).

(g) *Meetings of Directors*

The Bylaws provide that regular meetings of the Board may be held at any place or time that the Board determines. Special meetings of the Board may be called by the chairperson of the Board, the Chief Executive Officer, the President, the secretary or a majority of the authorised number of Directors with at least 24 hours' notice to each Director or if the motion is sent by mail, it must be deposited in the mail at least four days before the time of the holding of the meeting. A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a meeting of the Board where a quorum is present is regarded as an act of the Board unless a greater number is required by the Bylaws, law or the Certificate of Incorporation.

7.10 ***Officers***

The officers of the Company are appointed by the Board. In addition, the Board may authorise the Chief Executive Officer to appoint officers other than the Chief Executive Officer, the Chairperson of the Board, the President, the Chief Financial Officer or the Treasurer. The same person may hold two or more offices.

7.11 ***Exculpation and Indemnification of officers, Directors, employees and other agents***

The Certificate of Incorporation provides that a Director will not be personally liable to the Company or its Shareholders for monetary damages for breach of fiduciary duty as a director except for any breach of the Director's duty of loyalty to the Company or its Shareholders, any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, unlawful payments of dividends or unlawful stock repurchases or redemptions, or any transaction from which the Director derived an improper personal benefit.

The Certificate of Incorporation provides that the Company, to the fullest extent permitted by the DGCL, will indemnify any person made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative to which the indemnified individual was made a party because such individual is the legal representative, is or was a director or officer of the Company or, while a director or officer of the Company, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, employee benefit plan or other enterprise, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnified individual. The Certificate of Incorporation also provides that the Company, to the fullest extent permitted by the DGCL, will advance expenses incurred by a person who is or was a director or officer in defending any civil,

criminal, administrative or investigative action, suit or proceeding. Notwithstanding this, except for claims for indemnification (following the final disposition of such proceeding) or advancement of expenses not paid in full, the Company will be required to indemnify an indemnified individual in connection with a proceeding (or part thereof) commenced by such indemnified individual only if the commencement of such proceeding (or part thereof) by the indemnified individual was authorised in the specific case by the Board. In addition, the Certificate of Incorporation provides that the Company may, to the extent authorised from time to time by the Board, provide rights to indemnification and to the advancement of expenses to employees and agents of the Company similar to those to directors and officers of the Company.

7.12 ***Notices***

The Bylaws provide for notices to Shareholders to be in writing and delivered personally or mailed to the Shareholders in accordance with applicable law. Notice of any meeting need not be given to any Shareholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the Shareholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any Shareholders so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

7.13 ***Disclosure of significant shareholdings***

The Certificate of Incorporation provides that a person must notify the Company, subject to the DGCL, the US Exchange Act (if the Company has any equity securities under the US Exchange Act) and any applicable SEC regulations or other law, where the person acquires an aggregate nominal value of the Company's securities in which such person's interest is equal to or more than 3 per cent, 4 per cent or 5 per cent of the securities and of any subsequent relevant change to their holdings (being 1 per cent increment increase or decrease while their holdings are above the 3 per cent threshold) so that these disclosures can be properly notified to the FCA or the relevant securities exchange by the Company.

In addition, the Board may serve a disclosure notice ("**Disclosure Notice**") in writing on any person whom the Board, has reasonable cause to believe to be interested in the Company's securities, requiring such person to indicate whether or not it is the case and, where such person holds any interest in any such securities, to give such further information as may be required by the Board. If a Disclosure Notice has been served on a person and the Company has not received the information required in respect of the specified securities in writing within such reasonable time as specified in the Disclosure Notice, then the Board may apply certain restrictions on the specified securities.

7.14 ***Right to refuse transfers of Shares; Restrictive Legend***

The Company, and any transfer agents designated to transfer Shares, shall have the authority to refuse to register any transfer of Shares that is not made in accordance with the provisions of Regulation S pursuant to an effective registration statement as set out under the US Securities Act, or pursuant to another available exemption from the registration requirements under the US Securities Act. In addition, the Bylaws provide that certificated Shares will have the applicable legend set forth in Part VII of this document.

7.15 ***Amendments to the Certificate of Incorporation and Bylaws***

Provisions of the Certificate of Incorporation and the Bylaws may only be amended or repealed by the affirmative vote of at least 75 per cent of the Shares present in person or represented by proxy at a meeting of Shareholders and entitled to vote on the applicable matter.

7.16 ***Cancellation of admission of the Shares to trading on AIM***

Cancellation of the admission of the Shares to trading on AIM can only be effected following the affirmative vote of at least 75 per cent. of the Shares present in person or represented by proxy at a meeting of Shareholders and entitled to vote on the applicable matter.

7.17 ***Takeovers***

The Certificate of Incorporation provides that if a person (i) acquires Shares which (taken together with securities held or acquired by persons acting in concert with such person) represent 30 per cent or more of the voting rights attaching to the issued Shares, or (ii) (together with persons acting in concert with such person) holds not less than 30 per cent, but not more than 50 per cent, of the voting rights attaching to the issued Shares and such person, or any person acting in concert with such person, acquires additional securities, which will increase such person's percentage holding of such voting rights, then any such person (and any persons acting in concert with such person) must make a written cash offer or cash alternative to the holders of all of the Shares to acquire the outstanding Shares at a value not less than the highest price paid by such Shareholder for Shares of that class during the previous 12 months. The provision is intended to give the Company and its Shareholders protections similar to those available under Rule 9 of the Takeover Code as if it applied to the Company. These takeover provisions will cease to apply if the Shares cease to be admitted to trading on AIM or the London Stock Exchange.

8. Squeeze out rules relevant to the holders of Shares as set out in the DGCL

Section 267 of the DGCL outlines the procedures by which a controlling Shareholder or parent corporation that has obtained 90 per cent or more of the Shares may consummate a short form merger to squeeze out the remaining Shareholders. Generally, if a parent corporation owns at least 90 per cent of the outstanding Shares of each class of a subsidiary corporation's shares that otherwise would be entitled to vote on such merger, the parent corporation may merge the subsidiary corporation into itself, or, alternatively, may merge itself or both itself and the subsidiary corporation into a third corporation. A short-form merger is effected unilaterally by a board resolution of the parent company. A Shareholder generally would be entitled to certain appraisal rights under Section 262 of the DGCL (as discussed below) in connection with the squeeze out merger if the merger consideration was considered by such Shareholder to be below "fair value". However, no resolution of the Shareholders would be required to effect the squeeze out merger. Under Section 262 of the DGCL, a holder of Shares of common stock of a company that is the target of a merger, sale or consolidation who does not wish to accept the consideration being offered may elect to have the company pay in cash to him or her the "fair value" of his or her common shares, plus accrued interest (excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable), provided that the Shareholder comply with the conditions set forth in Section 262 of the DGCL. If there is a dispute between the Shareholder and the Company as to the fair value of the common shares, Section 262 of the DGCL provides that the fair value may be judicially determined.

Appraisal rights under Section 262 of the DGCL are a statutory remedy intended to provide Shareholders who dissent from a merger with an independent judicial determination of the fair value of their Shares. Except for certain circumstances in which appraisal rights are not available, appraisal rights are generally available for the shares of any class or series of shares of a constituent corporation in a merger or consolidation. A Shareholder who does not wish to accept the consideration being offered in the merger or consolidation may exercise their appraisal rights by not voting in favour of the merger or consolidation nor consenting thereto in writing and complying in all respects with Section 262. A Shareholder who properly exercises and does not waive, fails to perfect or otherwise loses such appraisal rights, will be entitled to have their Shares appraised by the Delaware Court of Chancery and to receive payment in cash of an amount equal to the "fair value" of such Shares as determined by such court, exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, as determined by such court. The "fair values" determined by the Delaware Court of Chancery could be greater than, less than or the same as the consideration payable in the merger or consolidation.

9. Interests of the Directors and significant shareholdings

9.1 The interests of the Directors and, so far as is known to them (having made appropriate enquiries), persons connected with them, which expression shall be construed in accordance with the Companies Act, in the Shares as at the date of this document and as expected to be immediately following Admission, are as follows:

	At the date of this document			*On Admission*		
Name	*Number of Shares*	*Percentage of Existing Share Capital*	*Options*	*Number of Shares*	*Percentage of Enlarged Share Capital*	*Options*
Harry Miller	3,112,968	27.3%	–	98,058,520	22.2%	–
Douglas Morin	–	–	115,500	–	–	4,042,500
Daniel Widdicombe	–	–	115,000	–	–	3,220,000
Kate Marsh	–	–	–	23,279	0.0%	–
Jeffrey Lyndon Ko	–	–	–	–	–	–
Janet Astall	–	–	–	–	–	–
Joanne (Jo) Goodson	–	–	–	93,798	0.0%	–

9.2 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors. There are no outstanding loans or guarantees provided by the Directors to or for the benefit of the Company.

9.3 No Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

9.4 Save as otherwise disclosed in this document, none of the Directors nor any member of their respective families nor any person connected with the Directors (within the meaning of section 252 of the Companies Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.

9.5 None of the Directors nor any member of their respective families is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Shares, including a contract for differences or a fixed odds bet.

9.6 Save as disclosed in paragraph 9.1 above, the Company is not aware of any interest in the Company's share capital which amounts or would, immediately following Admission, amount to 3 per cent or more of the Company's issued share capital, other than the following:

Name	*Number of Shares at the date of this document*	*Percentage of Existing Share Capital*	*Number of Shares at Admission*	*Percentage of Enlarged Share Capital*
Graeme Struthers	954,282	8.40%	30,059,890	6.80%
Nigel Lowrie[2]	951,381	8.30%	27,464,675	6.20%
NetEase (Hong Kong) Limited	1,022,556	9.00%	23,263,170	5.30%
Sony Interactive Entertainment Europe Limited	Nil	–	22,241,917	5.03%
Slater Investments	Nil	–	20,154,489	4.56%
Eric D. Stults	962,381	8.40%	16,841,685	3.80%
Roman Rinaric	513,723	4.50%	15,485,855	3.50%
Davor Hunski	513,723	4.50%	15,485,855	3.50%
Chelverton Asset Management	Nil	–	13,535,031	3.06%
NetEase Interactive Entertainment PTE. LTD.	526,316	4.60%	11,973,710	2.70%
FortuneEase L.P.	481,204	4.20%	8,421,070	1.90%
Michael Wilson	732,938	6.40%	6,413,225	1.50%

[2] Of which 118,000 are held by family members and other persons connected with him.

9.7 The voting rights of the Shareholders set out in paragraph 9.6 above do not differ from the voting rights held by other Shareholders.

9.8 Save as set out in paragraph 9.6 of this Part VI, 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.

10. Directors' terms of appointment

10.1 The Company has entered into service agreements or letters of appointment with the Directors as follows:

Executive Directors

(a) *Harry Miller, Director and Executive Chairman*

Pursuant to an agreement with the Company dated 29 October 2021, Harry is employed by the Company as an Executive Director and Executive Chairman. Harry's salary is $400,000 per annum. The Company may in its absolute discretion pay to Harry a bonus of such amount, at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time. Harry's employment commencement date for the purposes of his continuous employment is 26 March 2008. In addition to the usual conduct-related termination rights, either party may terminate his employment on twelve months' notice. Harry's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of twelve months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

(b) *Douglas Morin, Director and Chief Executive Officer*

Pursuant to an agreement with the Company dated 29 October 2021, Douglas is employed by the Company as an Executive Director and Chief Executive Officer. Douglas's salary is $400,000 per annum. The Company may in its absolute discretion pay to Douglas a bonus of such amount, at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time. Douglas's employment commencement date for the purposes of his continuous employment is 13 August 2020. In addition to the usual conduct-related termination rights, the service agreement entitles either party to terminate his employment on twelve months' notice. Douglas's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of twelve months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

(c) *Daniel Widdicombe, Director and Chief Financial Officer*

Pursuant to an agreement with the Company dated 29 October 2021, Daniel is employed by the Company as an Executive Director and Chief Financial Officer. Daniel's salary is £350,000 per annum. The Company may in its absolute discretion pay to Daniel a bonus of such amount, at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time. Daniel's employment commencement date for the purposes of his continuous employment is 12 May 2021. In addition to the usual conduct-related termination rights, the service agreement entitles either party to terminate his employment on twelve months' notice. Daniel's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of twelve months following termination of employment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

Non-Executive Directors

(d) *Kate Marsh, Senior Independent Director*

Pursuant to a letter of appointment with the Company dated 29 October 2021, Kate has been appointed as the Senior Independent Director of the Company. The appointment is subject to re-election at the next annual meeting but is terminable earlier by either side giving three months' notice at any time. The fee payable to Kate will be £75,000 per annum with an additional £5,000 for being chair of the Remuneration Committee. She has an anticipated time commitment of 24 days per year.

(e) *Joanne (Jo) Goodson, Non-Executive Director*

Pursuant to a letter of appointment with the Company dated 29 October 2021, Joanne has been appointed as a Non-Executive Director of the Company. The appointment is re-election at the next annual meeting but is terminable earlier by either side giving three months' notice at any time. The fee payable to Joanne will be £50,000 per annum with an additional £5,000 for being chair of the Nomination Committee. She has an anticipated time commitment of 24 days per year.

(f) *Jeffrey Lyndon Ko (高炼惇), Non-Executive Director*

Pursuant to a letter of appointment with the Company dated 29 October 2021, Jeffrey has been appointed as a Non-Executive Director of the Company. The appointment is subject to re-election at the next annual meeting but is terminable earlier by either side giving three months' notice at any time. The fee payable to Jeffrey will be £50,000 per annum. He has an anticipated time commitment of 24 days per year.

(g) *Janet Astall, Non-Executive Director*

Pursuant to a letter of appointment with the Company dated 29 October 2021, Janet has been appointed as a Non-Executive Director of the Company. The appointment is subject to re-election at the next annual meeting but is terminable earlier by either side giving three months' notice at any time. The fee payable to Janet will be £50,000 per annum with an additional £5,000 for being chair of the Audit Committee. She has an anticipated time commitment of 24 days per year.

10.2 Save as set out in this paragraph 10, there are no service agreements in existence between any of the Directors and the Company or any Company in the Group.

10.3 Save as disclosed in this paragraph 10, there are no service contracts in existence between any of the Directors and the Company or any Company in the Group that provide for benefits upon termination of employment.

11. Additional Information on the Directors

11.1 In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the 5 years prior to the date of this document:

Director	*Current directorships and partnerships (other than the Company)*	*Past directorships and partnerships*
Harry August Miller IV (Executive Chairman)	Ruidosa Ghost Town, LLC High and Mighty LLC Gambitious Partners USA LLC	None
Douglas Graham Morin (Chief Executive Officer)	Nerial Ltd Gambitious B.V. Devolver Digital MergerSub, Inc. Abest d.o.o.	None
Daniel Widdicombe (Chief Financial Officer)	None	AVIC-CCBI Aviation Industry Investment Fund Management GP Ltd
Karen (Kate) Elizabeth Marsh (Senior Independent Director)	Games Workshop plc Mediahuis Ireland (formerly INM plc) Elstree Film Studios Ltd KEM Media Ltd	AXN Northern Europe Limited AXN Southern Europe Limited Cloud Television One Limited Columbia Pictures Corporation Limited CSC Media Group Limited

Director	*Current directorships and partnerships (other than the Company)*	*Past directorships and partnerships*
Karen (Kate) Elizabeth Marsh (Senior Independent Director) (continued)		Entertainment Networks UK Limited Plato Media Limited Rocks & Co Television Limited SET Networks Africa (UK) Limited Sony Pictures Entertainment Benelux Sony Pictures Entertainment Deutschland GmbH Sony Pictures Entertainment Iberia S.L. (Chair) Sony Pictures Entertainment Italia SRL (Chair) Step TOPCO Limited Step Acquisition Co Limited Step Mid Co Limited Media Mix UK
Joanne (Jo) Goodson (Independent Non-Executive Director)	Hampleton Limited (formerly JGMP Limited) Hampleton GmbH	Six to Start Limited
Janet Astall (Independent Non-Executive Director)	Lowry Parsons Limited	Astall Consulting Limited; Telefónica Europe People Services Limited
Jeffrey Lyndon Ko (Independent Non-Executive Director)	People Sharing Streetart Together UK Limited DSKY Venture Co Ltd (주식회사 디에스케이와 이벤처스) iDreamSky Technology Holdings Limited (創夢天地科技控股有限公司) iDreamSky Technology (HK) Limited (創夢天地科技(香港)有限公司) Shenzhen iDreamSKY Technology Co Ltd (深圳市創夢天地科技有限公司) Spray (BVI) Limited IDS09 Holdings Limited IDS11 Holdings Limited IDS13 Holdings Limited DSKY Venture Co Ltd (주식회사디에스케이와 이벤처스) Shipshape Holdings Limited IDS04 Holdings Limited IDS14 Holdings Limited IDS15 Holdings Limited Dream Technology Holdings Limited Gorgeous Catch Limited	DSKY Venture Co Ltd (주식회사 디에스케이와 이벤처스) iDreamSky Technology Limited Shenzhen iDreamSKY Technology Co Ltd (深圳市創夢天地科技有限公司) iSkytouch HK Limited

11.2 Janet Astall was a trustee of The Maternity Alliance and Research Trust when it went into a creditor's voluntary liquidation on 19 December 2005. Preferential creditors were paid in full and there was an estimated deficit to unsecured creditors of approximately £10,000. The Company was dissolved on 25 February 2008.

11.3 None of the Directors:

(a) has, any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or her or or entered into any voluntary arrangements;

(c) has, save as disclosed in this document, been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to 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 or within the 12 months after he or she ceased to be a director of that company;

(d) has been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he or she was a partner in that partnership or within the 12 months after he or she ceased to be a partner in that partnership;

(e) has been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he or she was a partner in that partnership or within the 12 months after he or she ceased to be a partner in that partnership;

(f) has been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

(g) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

12. Employees

12.1 During each of the accounting reference periods ending on the dates set out below, the Group had the following average number of employees:

As at 31 December 2018	*As at 31 December 2019*	*As at 31 December 2020*	*As at 30 June 2021*
20	22	56	130

12.2 As at the date of this document, the Group had 130 employees and the geographic breakdown is as follows:

Location	*Number*
England	44
US	31
Croatia	24
Netherlands	6
Canada	5
China	4
Scotland	4
Germany	2
Spain	2
Brazil	1
Bulgaria	1
Finland	1
France	1
Japan	1
Poland	1
Romania	1
Sweden	1

12.3 The Group, as part of its ordinary operations, also utilises the services of independent contractors.

13. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been: (i) entered into by a member of the Group within the two years immediately preceding the date of this document and are, or may be, material; or (ii) entered into by a member of the Group and contain any provision under which any member of the Group has any obligation or entitlement which is (or may be) material to the Group as at the date of this document.

Contracts relating to Admission and the Placing

13.1 ***The Placing Agreement***

The Placing Agreement dated 29 October 2021 made between (i) the Company; (ii) the Directors; (iii) the Selling Shareholders; (iv) the Sole Bookrunner, and (v) the US Private Placement Agent, pursuant to which the Company has severally appointed each of the Sole Bookrunner and the US Private Placement Agent as its agents to use reasonable endeavours to procure subscribers for the New Placing Shares.

Under the terms of the Placing Agreement, the Company and the Directors have given certain customary warranties to the Sole Bookrunner and the US Private Placement Agent and the Company has given certain customary indemnities to the Sole Bookrunner and the US Private Placement Agent in connection with Admission and other matters relating to the Group and its affairs. The liability of each Director and of each Selling Shareholder is capped. The Sole Bookrunner and the US Private Placement Agent may terminate the Placing Agreement in certain specified circumstances prior to Admission, including if any of the warranties have ceased to be true and accurate in any respect or shall have become misleading in any respect or in the event of circumstances existing which make it impracticable or inadvisable to proceed with Admission. A commission is payable to the Sole Bookrunner and the US Private Placement Agent by the Company relating to the gross proceeds of the sale of New Placing Shares.

Under the Placing Agreement each of the Selling Shareholders has agreed to sell certain Sale Shares in connection with the Placing at the Placing Price and to pay a commission to the Sole Bookrunner and the US Private Placement Agent, as applicable, relating to the gross proceeds of the sale of their Sale Shares. Each of the Selling Shareholders has provided customary warranties and indemnities as to title and capacity. The Sale Shares will include the Option Sale Shares, which result from the exercise of Options.

13.2 ***Lock-In and Orderly Market Deeds***

Pursuant to the Lock-In and Orderly Market Deeds, each of the Locked-in Persons has, conditional on Admission, undertaken to the Company and Zeus Capital that, subject to certain limited exceptions, they will not dispose of Shares held by them or on behalf of them for a specified period from the date of Admission. Each of those persons has also undertaken that for a further period following the anniversary of the date of Admission, they will comply with certain requirements designed to maintain an orderly market in the Shares, subject to customary exceptions.

The relevant periods for each type of Locked-in Persons are as follows:

Locked-in Person	*Length of lock-in (from Admission)*	*Length of orderly-market (from end of lock-in period)*	*Aggregate number of Shares subject to the Lock-in and Orderly Market Deeds*	*Percentage of Enlarged Share Capital as at Admission*
The Directors, the Existing Founders and the founders of the Group's subsidiaries	12 months	12 months	250,205,307	56.6%
Shareholders (NetEase Entities and FortuneEase L.P.)	6 months	6 months	43,657,950	9.9%
Shareholders (team members of both Devolver and the Group's subsidiaries)	6 months	6 months	8,076,285	1.8%
Shareholders (contractors or other non-team members)	6 months	6 months	11,652,025	2.6%
The Subscribers (being certain friends and family of the Board and certain persons who were investors in Good Shepherd)	3 months	9 months	285,285	0.1%

The exceptions to the lock-in undertakings are as follows: (i) with the prior written consent of Zeus Capital, which consent may be withheld at the absolute discretion of Zeus Capital or granted subject to such terms and conditions as Zeus Capital may in its absolute discretion determine; (ii) pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction made to holders of Shares; (iii) pursuant to an offer by the Company to purchase its own shares which is made on identical terms to the holders of shares of the same class and otherwise complies with the DGCL; (iv) pursuant to a plan, compromise or other arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them; (v) pursuant to any decision or ruling by an administrator, administrative receiver or liquidator appointed to the Company in connection with a winding up or liquidation of the Company; (vi) in the event of an intervening court order requiring the disposal of any Shares subject to the undertaking; (vii) in the case where the Shareholder is an individual: (A) to a member of the Shareholder's family (being their spouse, civil partner, children and grandchildren (including any step or adopted child or grandchild) at nil cost; (B) to a trustee of any trust or any new or continuing trustee(s) following a change in the identity of the trustee(s) of any trust, the beneficiaries of which are restricted to any of the Shareholder and members of their family at nil cost; (C) to their personal representatives in the event of their death; and (D) to their trustee in bankruptcy in the event of their bankruptcy; and (viii) in the case where the Shareholder is a corporate entity, to a member of the Shareholder's corporate group. In cases where a transfer is made under paragraphs (vii) or (viii) the transferee shall be required to undertake by way of deed to adhere to the same restrictions as described herein.

13.3 ***Subscription Agreements***

The Subscription Agreements dated on or around 29 October 2021 made between (i) the Company and (ii) the Subscribers, pursuant to which the Subscribers conditionally subscribed for Subscription Shares pursuant to the Subscription.

13.4 ***Nominated Adviser and Broker Agreement with Zeus Capital***

A Nominated Adviser and Broker Agreement dated 29 October 2021 between (i) Zeus Capital; (ii) the Company; and (iii) the Directors, pursuant to which the Company has appointed Zeus Capital, conditional on Admission, to act as nominated adviser and broker to the Company on an ongoing basis as required by the AIM Rules. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with applicable law and regulation. The Company agrees to comply with its legal obligations (including those of AIM and the London Stock Exchange) and to provide Zeus Capital with any information Zeus Capital may reasonably require for the proper performance of its duties. Pursuant to these arrangements, Zeus Capital has agreed, *inter alia*, to be available at all reasonable times to advise, guide and consult with Directors as they may reasonably request in relation to the AIM Rules for Companies and the laws and regulations governing the Company's status as a company with share capital admitted to trading on AIM. These

arrangements shall (subject to certain early termination provision in the agreement) continue unless terminated by either party giving the other not less than three months' notice in writing to the other such notice to expire no sooner than 12 months from the date of the Nominated Adviser and Broker Agreement. The Company has agreed to pay Zeus Capital a fee of £80,000 (plus VAT) per annum for its services as nominated adviser and broker under the Nominated Adviser and Broker Agreement.

13.5 ***Depositary Services Agreement***

The Company has entered into a depositary services agreement dated 29 October 2021 between the Company and the Depositary ("**Depositary Services Agreement**"). The Depositary Services Agreement relates to the Depositary's appointment as Depositary in relation to the Shares, including the issue and cancellation of Depositary Interests and maintaining the Depositary Interests register. The Company has agreed to indemnify the Depositary in relation to all losses suffered by the Depositary in connection with the proper performance by the Depositary of its obligations under the Depositary Services Agreement. The Depositary's aggregate liability to the Company over any 12 month period shall in no circumstances whatsoever exceed two times the amount of the fees payable by the Company to the Depositary under the Depositary Services Agreement in any 12 month period in respect of a single claim or in the aggregate. The Depositary Services Agreement is for an initial term of 3 years after which it is terminable by either party on 6 months' notice.

13.6 ***Registrar Agreement***

A registrar agreement ("**Registrar Agreement**") dated 26 October 2021 between the Company and the Registrar pursuant to 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 three years from the commencement date after which either party may terminate the Registrar Agreement by giving six months' notice. The Registrar Agreement contains certain indemnities given by the Company to the Registrar which are customary for an agreement of this nature.

Acquisition agreements

13.7 ***The Croteam SPA***

The Croteam SPA dated 7 October 2020 between (i) the Company; (ii) Roman Ribarić, Dean Sekulić, Admir Elezović, Davor Hunski, and Davor Tomičić (being, the Croteam Sellers). Pursuant to the Croteam SPA, the Company acquired the entire issued share capital of each member of the Croteam Group from the Croteam Sellers for cash consideration of $7,000,000 and 1,556,737 Shares, plus certain contingent consideration of up to $2,800,000 in cash in the aggregate. A portion of the share consideration received by the Croteam Sellers, totalling 778,360 Shares in the aggregate, are subject to restrictions on transfer and a forfeiture clawback of unvested Shares upon any termination of employment of such Croteam Seller for cause or any voluntary resignation from employment by such Croteam Seller. These Shares vest over a five-year period following the completion date in equal annual instalments. The Croteam SPA includes a standard set of warranties for an agreement of this kind. Additionally, the Croteam Sellers agreed, for a period of four years after 19 October 2020 to certain restrictive covenants.

13.8 ***Croteam merger agreement***

A merger agreement on 1 February 2021 between each member of the Croteam Group pursuant to which the companies DES INFORMATIKA 2010 d.o.o., NEBO IZ SNA d.o.o., NEBO MEDIA d.o.o. and PLAVI SLON d.o.o. (the "**Merged Companies**"). As some of the IP used by the Croteam Group was held by the Merged Companies, pursuant to this agreement, the Merged Companies were merged into Abest (the "**Croteam Merger**"), thereby ensuring that Abest held all IP used by the Croteam Group. The Croteam Merger was duly executed and registered with the Court Registry of the Commercial Court in Zagreb. Consequently, the Merged Companies ceased to exist and were removed from the Court Registry on 1 April 2021, leaving Abest as the Company's sole subsidiary in Croatia.

13.9 ***The Gambitious SPA***

The Gambitious SPA dated 7 January 2021 between (i) the Company; and (ii) forty shareholders of Gambitious, being the Gambitious Sellers. Pursuant to the Gambitious SPA, the Company acquired

the entire issued share capital of Gambitious and its respective shareholdings in its subsidiaries (GSE USA, LLC (100%), Artificer (85%) and GS Capital B.V. (95%)) for cash consideration of $15,725,787.12, plus an additional 534,256 Non-Voting Shares (which will, prior to Admission be converted into Shares). A portion of the share consideration received by the employee Gambitious Sellers, totalling 103,087 Non-Voting Shares in the aggregate (which will, prior to Admission, be converted into Shares), are subject to restrictions on transfer and a repurchase option of the Company upon any termination of the employment by the Group employer of the applicable employee Gambitious Seller, whether by Gambitious or by the employee. This repurchase option lapses over a three-year period following the completion date in equal monthly instalments. The Gambitious SPA includes a standard set of warranties for this type of agreement. Certain of the Gambitious Sellers entered into restrictive covenants for the period of two years from the completion date.

13.10 ***The Nerial SPA***

The Nerial SPA dated 29 April 2021 (and as amended on 19 July 2021) between (i) the Company and (ii) the Nerial Sellers, pursuant to which the Company acquired the entire issued share capital of Nerial for $4 million in cash consideration, plus an additional 155,017 Shares and additional consideration calculated based on the valuation of the Company in a sale event (including an IPO). The additional consideration may be paid in cash, Contingent Consideration Shares or a combination of cash and Shares at the election of the Company. The share consideration includes 77,509 unvested restricted Shares, which are subject to restrictions on transfer and a forfeiture clawback until such Shares vest upon any termination of employment of such Nerial Seller for cause or any voluntary resignation from employment by such Nerial Seller. The restricted Shares vest on a monthly basis in the five years following the completion date. During the five years following the completion date, unvested restricted Shares shall first be forfeited to the Company to offset the value of a claim for indemnity under the warranties. All unvested restricted Shares will vest on Admission. The Nerial SPA includes a standard set of warranties for an agreement of this type. The Nerial Sellers under the Nerial SPA agreed to certain restrictive covenants for two years following the completion date.

13.11 ***The Dodge Roll SPA***

The Dodge Roll SPA dated 2 July 2021 made between (i) the Company and (ii) the Dodge Roll Sellers pursuant to which the Company acquired the entire membership units of Dodge Roll, a company incorporated in Texas, for $8 million in cash consideration, plus an additional 88,344 Shares and additional consideration calculated based on the valuation of the Company in a sale event (including an IPO). The additional consideration may be paid in cash, Contingent Consideration Shares or a combination of cash and Shares at the election of the Company. The share consideration includes 44,172 unvested restricted Shares, which are subject to restrictions on transfer and a forfeiture clawback until such Shares vest upon any termination of employment of such Dodge Roll Seller for cause or any voluntary resignation from employment by such Dodge Roll Seller. The restricted Shares vest on a monthly basis in the five years following the completion date. During the five years following the completion date, unvested restricted Shares shall first be forfeited to the Company to offset the value of a claim for indemnity under the warranties. All unvested restricted Shares will vest on Admission. The Dodge Roll SPA includes a standard set of warranties for an agreement of this type.

13.12 ***Firefly SPA***

The Firefly SPA dated 24 June 2021 made between (i) the Company and (ii) the Firefly Sellers pursuant to which the Company acquired the entire issued share capital of Firefly for $16 million in cash consideration, plus an additional 116,586 Shares and additional consideration calculated based on the valuation of the Company in a sale event (including an IPO). The additional consideration may be paid in Contingent Consideration Shares. The share consideration includes 58,292 unvested restricted Shares, which are subject to restrictions on transfer and a forfeiture clawback until such Shares vest upon any termination of employment of such Firefly Seller for cause or any voluntary resignation from employment by such Firefly Seller. Twenty per cent of the restricted Shares vest on the second anniversary of the completion date and the remainder vest on the third anniversary of the completion date. During the three years following the completion date, unvested restricted Shares shall, first and as far as possible, be forfeited and cancelled to offset the value of a claim against the Sellers under the Firefly SPA for the acquisition. All unvested restricted Shares will vest on Admission. The Firefly SPA includes a standard set of warranties for an agreement of this type. The Firefly Sellers agreed to certain restrictive covenants for the two year period following the completion date.

Other Material Agreements

13.13 ***Artificer Call Option Agreement***

The Artificer Call Option Agreement dated 20 March 2019 made between (i) Gambitious and (ii) Trousdale Games I, LLC ("**Trousdale**"), pursuant to which Gambitious granted Trousdale the call option to purchase five percent of the shares, in the same class as the class of shares held by Gambitious, in the total issued share capital of Artificer at a total purchase price of PLN 250.00 from Gambitious (the "**Call Option**").

The Call Option may not be exercised in part, but may be exercised in full by Trousdale at any time until 20 March 2029. The Call Option may only be terminated by Trousdale by written notice to Gambitious. The Call Option is still in effect and exercisable. The Call Option Agreement is governed by the laws of the Netherlands.

13.14 ***The Fall Guys Sale Agreement***

On 1 March 2021, Devolver completed the sale of publishing rights to *Fall Guys* and the other game titles developed by Mediatonic to Epic Games. In consideration for the sale of publishing rights, Devolver received a confidential cash sum and retained the exclusive, worldwide merchandising rights for *Fall Guys* for six years, subject to a royalty payment. Devolver and Epic Games made customary representations, warranties and indemnities to each other related to their respective rights and obligations.

13.15 ***Royalty Purchase Agreements***

Gambitious entered into Royalty Purchase Agreements ("**RPAs**") with various investors, which include Devolver and the Founders in some instances, whereby the investor would invest capital for the development of a new game and in return receive royalty rights from the net revenue of that specific game. Each payment under an RPA is distributed on a pro rata basis based on the amount of investment by the respective investor. The RPAs are similar in structure and content and are based on a form template agreement which includes customary warranties and confidentiality clauses. There are occasional variations in the payment terms of the RPAs (generally payments are made either within 30 calendar days of each month in which Gambitious has received funds or quarterly). All RPAs expire five years after the release of the game.

13.16 ***Stock Repurchase Agreements (Mr. Wilson)***

On 10 January 2020, Devolver and Mr. Wilson entered into a Stock Repurchase Agreement whereby Devolver repurchased 150,376 Shares from Mr. Wilson. Devolver effected the repurchase through four payments, of which the final payment was made on 29 September 2020.

On 12 December 2020, Devolver and Mr. Wilson entered into a Stock Repurchase Agreement whereby the Company repurchased 1,064,120 Shares from Mr. Wilson. Devolver chose to effect the repurchase through an installment payment method, and the final payment was made on 1 April 2021.

13.17 ***NetEase Stock Transfer Agreement***

On 13 July 2020, the Founders, Mr. Wilson, Devolver and NetEase Interactive Entertainment Pte. Ltd. ("**NetEase Singapore**") entered into a Stock Transfer Agreement pursuant to which NetEase Singapore purchased in total 526,316 Shares from the Founders and Mr. Wilson. This agreement also granted NetEase Singapore the right of first offer to attain (i) the exclusive right and licence within the Peoples Republic of China (the "**PRC**"), which, for purposes of this agreement, does not include Hong Kong SAR, Macau SAR and Taiwan, to publish, distribute and market all video games which Devolver has the right to publish in the PRC in PC and mobile format; (ii) the exclusive right to port and adapt any and all games (excluding mobile games) which Devolver has the right to publish in the PRC; and (iii) the exclusive right and licence within the PRC to publish, distribute and market mobile video games that are ported or adapted by NetEase Singapore which Devolver has the right to publish in the PRC. Each of these rights of first offer will terminate upon Admission.

With respect to a particular video game that Devolver has the rights to publish, Devolver is required to notify NetEase Singapore as to the rights of first offer detailed above. NetEase Singapore and Devolver then have 30 calendar days to exclusively negotiate to reach a non-binding letter of intent setting forth

the principal terms that NetEase Singapore will enter into a distribution agreement with Devolver. If no letter of intent is reached, then the rights of first offer with respect to the specified game terminate.

14. Related Party Transactions

Save for the related party transactions set out in the Historical Financial Information of the Group set out in Part IV of this document, the Group Companies have not entered into any other related party transactions during the period covered by the Historical Financial Information and up until the date of this document.

15. Legal and Arbitration Proceedings

As at the date of this document, no member of the Group has been involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any such proceedings pending or threatened by or against any member of the Group, which may have or have had during the 12 months preceding the date of this document a significant effect on the financial position or profitability of the Group.

16. No Significant Change

Other than as disclosed in this document, and in particular in paragraph 7 of Part I and paragraph 1 of Part II, there has been no significant change in the financial performance or the financial position of the Group since 30 June 2021, being the date to which the Historical Financial Information of the Group as set out in Section B of Part IV of this document was prepared.

17. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that the Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

18. Taxation

The information set out below describes the principal UK and US tax consequences of the acquisition, holding and disposal of the Shares and is included for general information only. It is not intended to be, nor should it be construed to be, legal or tax advice to any prospective investors. This section does not take into account the individual circumstances of any prospective investors and should not be relied upon by any prospective investor or any other person. Each prospective investor should obtain, and only rely upon, their own professional tax advice regarding the tax consequences of acquiring, holding and disposing of the Shares under the laws of their country and/or state of citizenship, domicile or residence. This summary is based on tax legislation in force as at the date of this document, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

18.1 *UK taxation*

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of HMRC and may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident, and in the case of individuals, domiciled in (and only in) the United Kingdom for UK tax purposes, who are beneficial owners of Shares (and any dividends paid on them) and who hold their Shares as an investment (and not as employment-related securities and other than via an individual savings account). They are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes or those who hold 10 per cent or more of the Shares or those who are non-UK domiciled individuals) is not considered.

Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the United Kingdom, should consult his or her own professional advisers immediately.

(a) *Taxation of dividends – individual Shareholders*

UK resident individual Shareholders will be liable to income tax in respect of dividends or other income distributions of the Company. A UK resident individual Shareholder will generally benefit from an allowance in the form of an exemption from tax for the first £2,000 of dividend income received in the 2021/22 tax year ("**Dividend Allowance**"). Any dividends above the Dividend Allowance will be taxable at 7.5 per cent (to the extent it falls within an individual's basic rate band), 32.5 per cent (to the extent it falls within an individual's higher rate band) or 38.1 per cent (to the extent it falls within an individual's additional rate band) for the 2021/22 tax year.

(b) *Taxation of dividends – corporate Shareholders*

Dividends paid to a UK resident corporate Shareholder will be taxable income of the UK corporate Shareholder unless the dividends fall within an exempt class and certain other conditions are met. It is likely that most dividends paid to UK resident corporate Shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. To the extent that dividends are not exempt, UK resident corporate Shareholders may be able to obtain credit for any withholding tax and any underlying tax paid by the Company, subject to certain conditions. The United Kingdom has complex double tax relief where UK resident companies receive dividends from non-UK resident companies and therefore UK resident corporate Shareholders should seek further advice on these issues.

(c) *Taxation of dividends – trustees*

The annual dividend allowance available to individuals will not be available to UK resident trustees of a discretionary trust. Generally, dividends received by UK resident trustees of a discretionary trust are liable to income tax at a rate of 38.1 per cent (save the first £1,000 of trust income which may attract a lower rate of 7.5 percent). The £1,000 dividend allowance for trustees must divided by the total number of trusts which the settlor has settled. However, if the settlor has set up five or more trusts, the standard rate band for each trust is £200.

(d) *Taxation of dividends – UK pension funds and charities*

UK pension funds and charities are generally exempt from tax on dividends, which they receive. Other Shareholders who are not resident in the United Kingdom for tax purposes should consult their own advisers concerning their tax liabilities on dividends received.

(e) *Chargeable gains*

Shareholders who are resident in the United Kingdom for tax purposes and who dispose of their Shares at a gain will ordinarily be liable to UK taxation on chargeable gains, subject to any available exemptions or reliefs. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the original acquisition cost of the Shares. Shareholders who are not resident in the United Kingdom for tax purposes but who carry on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains. If an individual Shareholder ceases to be resident in the UK and subsequently disposes of Shares, in certain circumstances any gain on that disposal may be liable to UK capital gains tax upon that Shareholder becoming once again resident in the United Kingdom. For UK resident individual Shareholders, capital gains tax at the rate of 10 per cent (for basic rate taxpayers) or 20 per cent (for higher or additional rate tax payers) will be payable on any gain. UK resident individual Shareholders may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which for 2020/21 tax year exempts the first £12,300 of gains from tax) depending on their circumstances. For UK resident corporate Shareholders any chargeable gain will be within the charge to corporation tax. UK corporate Shareholders can benefit from indexation allowance up to 31 December 2017 (which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices Index up to 31 December 2017), but indexation allowance for corporate Shareholders no longer applies post 31 December 2017. Accordingly, any new (post 31 December 2017) UK

tax resident corporate Shareholder holding any rolled over tax base cost pre 31 December 2017 may claim indexation allowance on a subsequent disposal on the Shares, but such indexation allowance will only be up to 31 December 2017.

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

The statements below are intended as a general guide to the current position under UK tax law. They do not apply to certain intermediaries who may be eligible for relief from stamp duty or SDRT, or to persons connected with depositary arrangements or clearance services (or, in either case, their nominees or agents), who may be liable to stamp duty or SDRT at a higher rate.

Treatment of the transfer of Shares into CREST and the trading of Depositary Interests within CREST should not give rise to a liability to stamp duty or SDRT on the basis that the Admission does not involve a change in title or beneficial ownership in the Shares for consideration. Where there is a transfer of Shares into CREST (where Depositary Interests are issued) there should be no SDRT or stamp duty provided that there is no change in beneficial ownership of the Shares. Where there is a transfer of Shares into CREST (where Depositary Interests are issued) and there is a change in beneficial ownership of the Shares, no charge to SDRT should arise on the basis that the underlying Shares are and will continue to be traded on a recognised growth market (AIM).

Assuming that no document of transfer is executed for such a transfer there should be no stamp duty either.

Where Depositary Interests are traded (wholly within CREST), no charge to SDRT should arise on the basis that the underlying Shares are and will continue to be traded on a recognised growth market (AIM).

Since any transfer of the Depositary Interests will be wholly within CREST, and no documents of transfer will be executed, no charge to stamp duty should arise on the transfer of Depositary Interests (wholly within CREST).

(g) *Treatment of the transfer of Shares out of CREST and trading of the underlying Shares*

Where there is a transfer of Shares out of CREST (which may Involve a collapse of the Depositary Interests) and there is a change in beneficial ownership of the Shares, no charge to SDRT should arise, provided that:

(i) the register of members of the Company continues to be maintained outside the United Kingdom; and

(ii) the Shares are not paired with shares or marketable securities in UK incorporated companies.

Provided that the register of members of the Company continues to be maintained outside the United Kingdom, and the Shares are not paired with shares or marketable securities in UK incorporated companies, there should be no SDRT on any agreement to transfer the Shares themselves. However, any document transferring title to the Shares will be technically within the scope of UK stamp duty (at the rate of 0.5 per cent., rounded up to the nearest £5) if it is executed in the United Kingdom or relates (wheresoever executed) to any matter or thing done or to be done in the United Kingdom. Where stamp duty arises, this is generally payable by the purchaser. Stamp duty is not a directly enforceable tax. As such, any stamp duty which may arise should not generally be required to be paid in respect of transfers of Shares, unless the document of transfer is required to be relied upon as evidence in a UK court or for other official purpose in the United Kingdom. However, where the stamp duty is paid late, interest and penalties may arise.

(h) *Inheritance tax*

If any individual Shareholder is regarded as domiciled in the United Kingdom for inheritance tax purposes, inheritance tax may be payable in respect of the Shares on the death of the Shareholder or on certain gifts of the Shares during their lifetime, subject to any allowances, exemptions or reliefs. Non UK domiciled individual Shareholders may be regarded as deemed domiciled for inheritance tax purposes following a long period of residence in the United Kingdom. Further advice should be sought in these circumstances. Individual Shareholders who are in any doubt about the impact of this change on their tax position should obtain detailed tax advice from their own professional advisers. UK inheritance tax is a complex area and individuals should obtain their own advice in respect of this.

18.2 ***US taxation***

The following is a summary of certain material United States federal income tax consequences of the acquisition, ownership and disposition of Fundraising Shares by a Non-US Holder, as defined below. This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended, (the "**Code**"), its legislative history, final, temporary and proposed US Treasury regulations promulgated thereunder, published rulings and court decisions, each as in effect on the date hereof and all of which are subject to change, or changes in interpretation, at any time, possibly with retroactive effect.

The following discussion applies to non-US Holders that acquire Fundraising Shares in the Fundraising and hold such Shares as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the tax considerations that may be relevant to non-US Holders in light of their particular circumstances, including holders that may be subject to special tax rules, including, but not limited to:

- certain financial institutions, banks, thrifts or insurance companies;
- brokers, dealers or traders in securities;
- a trader in securities who elects to use a mark-to-market method of accounting for its securities holdings;
- investors subject to special tax accounting rules as a result of any item of gross income with respect to Fundraising Shares being taken into account in an applicable financial statement;
- tax-exempt entities;
- individual retirement and other tax-deferred accounts;
- persons that will hold the Company's securities as part of a "straddle," "hedging," "constructive sale," "conversion" or other integrated transaction or as a position in a "straddle" for United States federal income tax purposes;
- persons who acquire the Company's securities pursuant to the exercise of compensatory options or compensatory warrants or in other compensatory transactions;
- persons that may be liable for the alternative minimum tax;
- foreign governments or international organizations; or
- persons that own or are deemed to own directly, indirectly, or constructively 5 per cent. or more, by voting power or value, of the Company's stock.

Furthermore, this discussion does not address any tax considerations with respect to estate or gift taxes, the United States federal Medicare tax on net investment income or the alternative minimum tax, nor does it address any tax considerations arising under the laws of any state, local or foreign jurisdiction, or under any United States federal laws other than those pertaining to income taxes. This description is for general information purposes only and does not purport to be a complete analysis or summary of all potential United States federal income tax consequences that may apply as a result of the acquisition, ownership and disposition of Fundraising Shares. Each prospective investor is urged to consult its own tax adviser regarding the United States federal, state, local and non-United States income and other tax considerations of their investment in the Company's Shares.

A Shareholder is a Non-US Holder if, for United States federal income tax purposes, the Shareholder is the beneficial owner, other than a partnership or entity or arrangement treated as a partnership for United States federal income tax purposes, of Fundraising Shares and is, for U.S. federal income tax purposes:

(i) an individual that is a nonresident alien;

(ii) a corporation (or other entity or arrangement that is treated as a corporation for U.S. federal income tax purposes) that is treated as a foreign corporation;

(iii) an estate the income of which is not includable in gross income for United States federal income tax purposes; or

(iv) a trust (a) that does not have a valid election in effect to be treated as a United States person under the Code and (b) either (x) the administration of such trust is not subject to the primary supervision of a United States court or (y) no United States person has authority to control all of such trust's substantial decisions.

If a partnership (or any other entity or arrangement treated as a partnership for United States federal income tax purposes) holds Fundraising Shares, the tax treatment of a partner (or other interest holder) in such partnership generally will depend upon the status of the partner (or other interest holder) and the activities of the partnership. Any such partner (or other interest holder) or partnership should consult their tax advisers as to the United States federal income tax consequences to them of the ownership and disposition of the Company's Shares.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE THE UNITED STATES FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

(a) *Distributions*

Distributions of cash or other property in respect of Fundraising Shares (other than certain distributions of common stock) will constitute dividends for United States federal income tax purposes to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent those distributions exceed the Company's current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder's basis in the Shares, but not below zero, and then will be treated as a gain on the disposition of Shares as described below.

Dividends paid to a Non-US Holder will generally be subject to withholding tax at a 30 per cent. rate unless the Non-US Holder is eligible for the benefits of an income tax treaty that provides for a reduced rate of withholding and the Non-US Holder establishes its eligibility for the reduced rate by providing a properly executed IRS Form W-8BEN or W-8BEN-E (or applicable successor form) claiming an exemption from or reduction of the withholding tax under the benefit of an applicable income tax treaty.

Additionally, a Non-US Holder will not be subject to withholding tax if such Non-US Holder holds Shares in connection with the conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-US Holder maintains a permanent establishment in the United States to which such dividends are attributable), dividends are paid in connection with that trade or business, and such Non-US Holder provides a properly executed United States Internal Revenue Service ("IRS") Form W-8ECI (or applicable successor form) stating that the dividends are effectively connected with the conduct by the Non-US Holder of a trade or business within the United States. Instead, such Non-US Holder will generally be subject to US federal income tax at the rates applicable to US persons and, in the case of a corporate Non-US Holder, a branch profits tax at a rate of 30 per cent. or such lower rate as may be specified by an applicable income tax treaty.

If a Non-US Holder is eligible for a reduced rate of withholding, such Non-US Holder may file a refund claim with the IRS for a refund of any amounts withheld in excess of such reduced rate.

(b) *Sale of Shares*

A Non-US Holder generally will not be subject to United States federal income tax on gain that such Non-US Holder recognizes on a disposition of Shares unless:

(i) the gain is "effectively connected" with the conduct of a trade or business in the United States, and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment that the Non-US Holder maintains in the United States;

(ii) the Non-US Holder is an individual present in the United States for 183 or more days in the taxable year of the sale or disposition and certain other conditions are met; or

(iii) the Company has been a "United States real property holding corporation" ("**USRPHC**") within the five year period ending on the date of disposition for United States federal income tax purposes and the Company's Shares are not regularly traded on an established securities market as determined for United States federal income tax purposes.

If a Non-US Holder is described in the first category above, such Non-US Holder will generally be subject to US federal income tax at the rates applicable to United States persons and, in the case of a corporate Non-US Holder, a branch profits tax at a rate of 30 per cent. or such lower rate as may be specified by an applicable income tax treaty. If a Non-US Holder is described in the second category above, such Non-US Holder will be required to pay a flat 30 per cent. (or such lower rate as may be specified by an applicable income tax treaty) tax on

the gain derived from the sale, which tax may be offset by United States-source capital losses for the year.

With respect to the third bullet above, the Company believes that it is not currently, and has not been, a USRPHC. However, because the determination of whether the Company is a USRPHC depends on the fair market value of the Company's United States real property relative to the fair market value of certain of the Company's other assets, there can be no assurance that the Company will not become a USRPHC in the future.

(c) *FATCA*

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (commonly referred to as the Foreign Account Tax Compliance Act or "FATCA") on certain types of payments made to non-United States financial institutions and certain other non-United States entities. Specifically, a 30 per cent. withholding tax may be imposed on payments of dividends if paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution enters into an agreement with the United States Department of the Treasury to undertake certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution which entered into the agreement in (1) above, the diligence and reporting requirements include, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30 per cent. on certain payments to non-compliant foreign financial institutions and certain other account holders. An intergovernmental agreement governing FATCA between the United States and an applicable foreign country may modify the requirements described in this paragraph.

The FATCA withholding tax will apply to all withholdable payments without regard to whether the beneficial owner of the payment would otherwise be entitled to an exemption from withholding tax pursuant to an applicable tax treaty with the United States or under other provisions of the Code. Non-US Holders are urged to consult their tax advisers regarding the potential application of withholding under FATCA and potential credit against other withholding tax of any amounts withheld under FATCA.

(d) *Information Reporting and Backup Withholding*

Payments to Non-US Holders of dividends will generally not be subject to backup withholding, and payments of proceeds made to Non-US Holders by brokers upon a sale of Shares will generally not be subject to information reporting or backup withholding, in each case so long as the Non-US Holder certifies its non-resident status (and the Company or its paying agent does not have actual knowledge or reason to know that the Non-US Holder is a United States person or that the conditions of any other exemption are not, in fact, satisfied) or otherwise establishes an exemption. The certification procedures to claim a reduced rate of withholding under an income tax treaty described above in "Distributions" will generally satisfy the certification requirements necessary to avoid backup withholding. Copies of information returns with respect to dividends that are filed with the IRS may also be made available to tax authorities of the country in which the Non-US Holder resides.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a Non-US Holder's US federal income tax liability. A Non-US Holder generally may obtain a refund of any amounts withheld under the backup withholding rules in excess of such Non-US Holder's United States federal income tax liability by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information.

19. Depositary Interest Arrangements

19.1 The requirements of the AIM Rules for Companies provide that the Company must, upon Admission becoming effective, have a facility for the electronic settlement of the Shares. The shares of companies incorporated in England (and the shares of companies incorporated in certain other jurisdictions) which are traded on AIM are settled through CREST. However, with limited exceptions, only shares and other securities which are constituted under English law can be settled through the CREST system, regardless of the fact that they may be admitted to trading on AIM. As the Company is incorporated in the United States its Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement.

19.2 The Depositary Interests representing the Shares will be issued to the individual Shareholders' CREST account on a one for one basis and with the Depositary providing the necessary custodial service. It is expected that, where Placees have asked to hold their Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Investors who are able to and elect to hold their Shares as Depositary Interests will be bound by a Deed Poll (the terms of which are summarised below), executed by the Depositary in favour of the Investors from time to time, the terms of which are summarised below. The rights and obligations pertaining to the Depositary Interests will be governed by English law. Holders of Depositary Interests will have no rights in respect of the underlying Shares or the Depositary Interests against CREST, the operating company of the CREST system, or its subsidiaries. The Depositary Interests are themselves independent securities constituted under English law and can be settled within the CREST system in the same way as any other CREST security. The Shareholders that are non-US Persons have the choice of whether to hold their Shares in certificated form or in uncertificated form in the form of Depositary Interests. Shareholders who are able to and elect to hold their Shares in uncertificated form through the Depositary Interest facility will be bound by a deed of trust.

19.3 The Company's share register, which will be kept by the Registrar in Jersey, will show the Depositary or its nominated custodian as the holder of the Shares represented by Depositary Interests but the beneficial interest will remain with the Shareholder. Shareholders can withdraw their Shares back into certificated form at any time using standard CREST messages.

19.4 Where Placees have requested to receive their Shares in certificated form, share certificates will be despatched by first-class post within 10 Business Days of the date of Admission. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Shares (other than in respect of those Shares settled via Depositary Interests through CREST), transfers will be certified against the Company's share register.

19.5 The Depositary Interests themselves have been created and constituted by the Depositary entering into the Deed Poll on 19 October 2021. The Deed Poll is executed by the Depositary, in favour of the holders of the Depositary Interests from time to time. Shares will be transferred to an account of the Depositary's appointed custodian ("**Custodian**") and the Depositary will issue Depositary Interests to participating members.

19.6 Each Depositary Interest will be treated as one Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of Depositary Interests any stock or cash distributions received by it as holder of Shares on trust for such Depositary Interest holder. Depositary Interest holders will also be able to receive from the Depositary notices of meetings of holders of Shares and other information to make choices and elections issued by the Company to the Shareholders.

In summary, the Deed Poll contains, amongst other things, provisions to the following effect:

(a) the Depositary will hold (itself or through the Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or Custodian pertaining to the Depositary Interests for the benefit of the holders of the Depositary Interests. The Depositary will re-allocate securities or distributions allocated to it or the Custodian *pro rata* to the Shares held for the respective accounts of the holders of Depositary Interests but will not be required to account for fractional entitlements arising from such re-allocation;

(b) holders of Depositary Interests warrant, amongst other things, that the securities in the Company transferred or issued to the Depositary or Custodian for the account of the Depositary Interest holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's by-laws or any contractual obligation, or applicable law or regulation binding or affecting such holder;

(c) the Depositary and any Custodian must pass on to Depositary Interest holders, or exercise on their behalf, all rights and entitlements received by the Depositary or the Custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received, together with amendments and additional documentation necessary to effect such passing on, or exercised in accordance with the Deed Poll. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must put the Depositary or its appointed agent in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights;

(d) the Depositary will be entitled to cancel Depositary Interests and treat the holders as having requested a withdrawal of the underlying securities in certain circumstances including where a Depositary Interest holder fails to furnish to the Depositary such certificates or representations as to material matters of fact, including his or her identity, as the Depositary deems appropriate;

(e) the Deed Poll contains provisions excluding and limiting the Depositary's liability to a maximum of £5 million. For example, the Depositary shall not be liable to any Depositary Interest holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise, except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its Group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent;

(f) the Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll;

(g) the holders of Depositary Interests are required to agree and acknowledge to the Depositary that it is their responsibility to ensure that any transfer of Depositary Interests by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear any interest, charges or penalties arising from non-payment of stamp duty reserve tax in respect of such transaction;

(h) the Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceeds therefrom, in order to discharge the indemnification obligations of Depositary Interest holders;

(i) the Depositary may terminate the Deed Poll by giving 30 days' notice. During such notice period holders are obliged to cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holders or, at its discretion, sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests; and

(j) the Depositary or the Custodian may require from any holder information as to the capacity in which Depositary Interests are or were owned and the identity of any other person with or previously having any interest in such Depositary Interests and the nature of such interest, and evidence or declarations of nationality or residence of the legal or beneficial owners of Depositary Interests and such information as is required for the transfer of the relevant Shares to the holders. Holders agree to provide such information as requested and consent to the disclosure of such information by the Depositary or Custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations

in relation to, beneficial or other ownership of the Company's securities, the holders of Depositary Interests are to comply with the Company's instructions with respect thereto.

20. Effects of US Domicile

The Company is a US corporation incorporated under the laws of the State of Delaware. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in England under the Companies Act. While the Directors consider that it is appropriate to retain the majority of the usual features of a US corporation, the Directors will, prior to Admission, take certain actions to conform to UK standard practice adopted by companies under English law and admitted to AIM to the extent such practices are enforceable under Delaware law. Set out below is a description of principal differences and, where appropriate, the actions the Board intends to take.

20.1 *Share Allotment and issue*

Companies incorporated under the Companies Act must explicitly authorise directors to allot shares under Sections 550 or 551 of the Companies Act. It is usual for UK companies to place restrictions on the authority of directors to allot shares. In particular, it is a requirement under Section 551 of the Companies Act that such authority be limited to expire after a specified time period of no longer than 5 years, with shareholder approval required for renewal.

In contrast, a Delaware corporation permits the board of directors to issue shares to the extent authorised in the Company's Certificate of Incorporation without the need for shareholder approval. The Company's Certificate of Incorporation currently authorises the Board of Directors to issue up to 2,975,000,000 (such figure being the maximum number of shares (following the 35 to 1 stock split pursuant to the Pre-IPO Reorganisation) that the Company is authorised to issue under Delaware law without having to amend the certificate of incorporation) shares of common stock and no shares of preferred stock. The Company's Certificate of Incorporation will be amended prior to Admission to limit the Board's authority to allot and issue Shares for cash or non-consideration without Shareholder approval except for certain exceptions enumerated in paragraph 7.2 of this Part VI. The Company intends to seek additional authorities each year at its annual meeting of Shareholders in accordance with UK investor guidelines.

20.2 *Pre-emptive rights*

Companies incorporated under the Companies Act are subject to pre-emptive rights on new shares issued by the company for cash pursuant to Section 561 of the Companies Act. These rights provide for existing shareholders to have a right of first refusal pro rata to their existing holding on the issue of new shares for cash.

The DGCL does not by default provide for pre-emptive rights. However, the Certificate of Incorporation of the Company will be amended prior to Admission to provide that unless otherwise determined in a meeting of Shareholders by the affirmative vote of at least 75 per cent of the Shares present in person or represented by proxy at the meeting and entitled to vote on the matter, each Shareholder shall have a pre-emptive right to subscribe for its pro rata share of Shares (with certain exceptions as set out in paragraph 7.6 of this Part VI) that the Company may, from time to time, propose to issue wholly for cash, but subject to such exclusions or other arrangements as the Board may deem necessary, appropriate or expedient in their exclusive discretion to deal with fractional entitlements or legal restrictions under the laws, or the requirements of any regulatory authority or stock exchange or otherwise in any jurisdiction. The Company intends to seek an authority from its Shareholders to disapply these pre-emption rights at each annual meeting of Shareholders but only to an extent which is in accordance with UK investor guidelines.

20.3 *Limitations on Borrowing*

UK companies may impose limits on their borrowing powers by, for example, specifying that borrowed amounts may not exceed a multiple of the company's capital and reserves. The Company does not have limitations on its ability to borrow funds, as this type of limitation is not typical for US companies.

20.4 ***Takeovers***

Except to the extent voluntarily incorporated by the Company to be administered by the Board, the Company will not be subject to the Takeover Code and certain provisions contained in the Company's Certificate of Incorporation and Bylaws make a hostile takeover of the Company more difficult to achieve. These provisions are set out below.

The Company has included a provision in its Certificate of Incorporation requiring Shareholders who acquire certain percentages of Shares of the Company to offer to purchase all of the outstanding share capital of the Company at a value not less than the highest price paid by such Shareholder for Shares of that class during the previous 12 months. The provision is intended to give the Company and its Shareholders protections similar to those available under Rule 9 of the Takeover Code as if it applied to the Company, and is described in paragraph 7.17 of this Part VI.

Generally under Delaware law, a court will defer to the "business judgment" of the directors in their response to a proposed merger transaction, absent a conflict of interest. While this legal principle is limited (for example, in certain transactions involving a "sale of control" (as defined within Delaware case law) where the standard shifts and requires the Board to obtain the best transaction reasonably available for shareholders), the "business judgment" presumption generally provides the Board with the ability to reject any takeover offer and to take certain actions to position the Company against a takeover in the future, including actions that would be deemed to be "frustrating actions" under the Takeover Code.

Additionally, Section 203 of the DGCL regulates corporate takeovers.In general Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" (generally, a holder of 15 per cent. or more of the Company's voting shares) for a three-year period following the date that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner.

US federal securities laws also regulate certain types of takeover activity. In particular, provisions of the US Exchange Act regulate tender offers and require public disclosure, by means of a filing with the SEC, of acquisitions of beneficial ownership of over five per cent. (5 per cent.) of outstanding voting equity securities in a publicly traded company. Although many of these provisions of the US Exchange Act will not apply to the Company unless and until it has a class of shares registered under the US Exchange Act or otherwise becomes subject to US Exchange Act reporting requirements, it may become subject to these requirement in the future.

Finally, the ownership of the Shares is currently concentrated among a small number of Shareholders including the Concert Party. This may make it difficult or impossible for a third-party to take over the Company if one or more of these Shareholders does not want to sell or the Concert Party votes together.

20.5 ***Limitation of Director liability; indemnification of Directors and Officers***

While both the Companies Act and the DGCL allow for exculpation of directors and indemnification of directors and officers, the scope of indemnification allowed under Delaware law is broader. Section 232 of the Companies Act generally prohibits UK companies from exempting directors from, or indemnifying them against, liabilities in instances where the directors are found to be negligent, in default, or in breach of duty or trust (subject to certain statutory relaxations, whereby directors may (if a company so chooses) be indemnified against third party proceedings and the costs of defending actions brought against them by the company).

By comparison, as described in paragraph 7.11 of this Part VI the Company's Certificate of Incorporation eliminates any monetary liability of Directors to the Company or its Shareholders for breaches of fiduciary duty as a Director in certain circumstances and provides for extensive indemnification and advancement of expenses in the event the Director or Officer in the event a claim is made by reason of such person's status as a Director or Officer of the Company or its subsidiaries.

20.6 ***Shareholder notifications of interests***

As a company incorporated under the laws of the State of Delaware, the Company is not subject to the provisions of the Disclosure Guidance and Transparency Rules and, consequently, Shareholders would not ordinarily be subject to any requirement to disclose to the Company the level of their interests in Shares or any changes thereto in accordance with Rule 17 of the AIM Rules for Companies. However, in accordance with the guidance note to Rule 17 of the AIM Rules for Companies, the Company has elected to incorporate certain provisions of the Disclosure Guidance and Transparency Rules and the Companies Act into its Certificate of Incorporation, further details of which are set out in paragraph 7.13 of this Part VI.

21. General

21.1 The net proceeds of the Fundraising available to the Company are expected to be £29,870,927. Total transaction costs to the Company of Admission are expected to be approximately £6,677,096. These transaction costs include (but are not limited to) commissions, accountancy fees, legal fees and the fees of the Sole Bookrunner and the US Private Placement Agent.

21.2 Save in connection with the application for Admission, none of the Shares have been admitted to dealings on any recognised exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Shares on any such exchange.

21.3 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.

21.4 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its fixed tangible assets.

21.5 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document.

21.6 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects between the end of the last financial year of the Company and the date of this document.

21.7 Save as set out in this Part VI, there are no provisions in the Company's Certificate of Incorporation or Bylaws which would have the effect of delaying, deferring or preventing a change of control of the Company.

21.8 Each of Zeus Capital and Beech Hill has given and not withdrawn its written consent to the inclusion in this document of reference to its name.

21.9 Grant Thornton UK LLP has given and not withdrawn its written consent to the inclusion in this document of its report in Section A of Part IV of this document in the form and context in which it is included. Grant Thornton UK LLP is a member firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales.

21.10 The previous auditors of the Group were Bauer & Company LLC who have audited the accounts for the Group for each of the financial years ended 31 December 2018 and 31 December 2019. The Company has since appointed Grant Thornton LLP as auditors for the year ended 31 December 2020 onwards. Bauer & Company LLC is registered with the Texas State Board of Public Accountancy.

21.11 Where information has been sourced from a third party this information has been accurately reproduced. As far as the Company is aware and is able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21.12 The accounting reference date of the Company is 31 December.

21.13 The following persons have received fees totalling £10,000 or more from Devolver within the 12 months immediately preceding the date of this document, or have entered into a contract to receive £10,000 or more from Devolver on or after Admission

(a) Swan Partners Limited;

(b) RSM UK Tax and Accounting Limited;

(c) Richard, Layton & Finger, P.A.;

(d) Divjak, Topić, Bahtijarević & Krka;

(e) Refinitiv Limited; and

(f) Infinite Equity Inc.

21.14 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price or any other benefit with a value of £10,000 or more at the date of Admission.

22. Selling Shareholders

22.1 The names and addresses of each of the Selling Shareholders are set out below:

Name[3]	*Position in Company/ Relationship with Company*	*Number of Sale Shares*
Harry A. Miller IV	Executive Chairman	10,895,360
Daniel Widdicombe	CFO	805,000
Michael Wilson	Founder	19,239,605
Eric D. Stults	Employee	16,841,650
Nigel Lowrie	Employee	5,833,660
Graeme Struthers	Employee	3,339,980
Paul Brandt	Shareholder	218,750
Tiena Ann Brandt	Shareholder	218,750
Stacy Lynn Palmer	Shareholder	131,250
Scott Wilson Bennett	Shareholder	131,250
James Odis Fite	Shareholder	131,250
Zachary Miller Carrico	Shareholder	131,250
Isaac Sheridan Carrico	Shareholder	131,250
Frank Glidden Carrico III	Shareholder	131,250
NetEase (Hong King) Limited	Shareholder	12,526,290
FortuneEase L.P.	Shareholder	8,421,070
NetEase Interactive Entertainment PTE. LTD.	Shareholder	6,447,350
Andrew Parsons	Employee	869,505
Jonathan Rosales	Employee	447,440
Katy Ludlow	Employee	143,465
James-Michael Specht	Employee	143,465
Jared Stults	Employee	92,190
Jeff Smith	Employee	74,970
Karen Marshall	Employee	83,860
John Bartkiw	Employee	211,190
Vieko Franetovic	Employee	58,520
Robbie Paterson	Employee	55,615
Luke Vernon	Employee	147,945
Mark Lloyd	Employee	63,210
Andrea Ng	Employee	1,995
Brian Chadwick	Employee	85,050

Name[3]	*Position in Company/ Relationship with Company*	*Number of Sale Shares*
Daniel Smith	Employee	15,540
Kert Gartner	Employee	39,830
Stephanie Tinsley Fitzwilliam	Employee	65,625
Michael Lee Jackson	Employee	17,500
Valerie Luessenhop	Employee	13,125
Le G Tran	Employee	21,875
Eli Penner	Employee	19,425
Michael Cauller	Employee	9,730
Keith Chaudhary	Employee	57,470
Viraj Bihal	Employee	9,695
Roman Ribarić	Employee	2,494,450
Dean Sekulić	Employee	831,460
Admir Elezović	Employee	755,895
Davor Hunski	Employee	2,494,450
Davor Tomičić	Employee	982,660
Ivana Hunski	Employee	34,860
Helena Hunski	Employee	34,685
Goran Adrinek	Employee	23,520
Jasmin Redzepagic	Employee	7,000
Ivan Krpelnik	Employee	24,360
Valentin Berger	Employee	6,230
Marko Jagodic	Employee	10,500
Roland Aloisius Johannes van Besouw	Shareholder	58,415
Patrick Joosten	Employee	40,565
Vernon Vrolijk	Employee	131,670
Michiel Verheijdt	Employee	1,680
Guy Michielsens	Employee	1,540
Francois Louis Marie Alliot	Employee	154,630
Tamara Alliot	Employee	154,630
Arnaud De Bock	Employee	233,275
Kevin Ribeiro-Ansoult	Employee	1,400
Eric Ouellette	Employee	306,005
Simon Bradbury	Employee	204,015
Ben Tarrant	Employee	2,240
Nikolay Dimitrov	Employee	3,255
Alessio Molinaro	Employee	3,255
Andreas Lostromos	Employee	4,340
Thomas Ward	Employee	1,680
Darren Thompson	Employee	665
David Crooks	Employee	193,235
Joseph Harty	Employee	193,235
David Rubel	Employee	193,235
Brent Sodman	Employee	386,505

23. Availability of Admission Document

Copies of this document will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays in the United Kingdom and the United States) at the registered offices of the Company and, for one month from Admission, at the offices of Zeus Capital at 10 Old Burlington Street, London W1S 3AG. This document is also available on the Company's website www.devolverdigital.com.

[3] The business address for all Selling Shareholders is in care of Devolver Digital, 3267 Bee Caves Road, #107 (Box 63) Austin, Texas 78746, United States.

PART VII

US RESTRICTIONS ON THE TRANSFER OF SHARES

Capitalised terms used in this Part VII that are not defined in the document have the meaning given such terms in Rule 902 of Regulation S under the US Securities Act.

Shares Admitted To Trading On AIM

The Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the US and are "restricted securities" as defined in Rule 144 under the US Securities Act. In addition, as more fully explained in this Part VII, the Shares to be sold in reliance on Regulation S are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S under the US Securities Act. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Shares. A purchaser of Shares may not offer, sell, pledge or otherwise transfer Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act. Hedging transactions in the Shares may not be conducted, directly or indirectly, unless in compliance with the US Securities Act. Furthermore, the Shares to be sold in reliance on Regulation S may not be sold to, or for the account or benefit of, any US Person until at least the expiry of the Distribution Compliance Period. The Company currently intends that these restrictions will remain in place indefinitely.

Once the Shares are admitted to trading on AIM, Shares (as represented by the Depositary Interests) held in the CREST system will be identified with the marker "REG S" and will be segregated into a separate sector of the trading system within CREST for the duration of the Distribution Compliance Period, as more fully explained in the Appendix (*Terms and Conditions of the Placing – CREST: Regulation S Category 3 Settlement Services*).

CREST Legend

The Shares (represented by the Depositary Interests and held in the CREST system) will bear a legend in substantially the form set forth below, unless the Company determines otherwise in compliance with applicable law:

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S")). THE SHARES ARE BEING OFFERED ONLY TO NON-US PERSONS OUTSIDE THE UNITED STATES IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT IN RELIANCE ON REGULATION S. THE SHARES ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144(a)(3) PROMULGATED UNDER THE US SECURITIES ACT. THE SHARES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S) EXCEPT: (I) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT.

RESALES OR REOFFERS OF SHARES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S OR SUCH LONGER PERIOD AS MAY BE REQUIRED UNDER APPLICABLE LAW OR AS DETERMINED BY THE COMPANY. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE US SECURITIES ACT.

BY ACCEPTING THESE SHARES, THE HOLDER REPRESENTS AND WARRANTS THAT IT (A) IS NOT A US PERSON (AS DEFINED IN REGULATION S) AND (B) IS NOT HOLDING THE SHARES FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON.

Please note that the capitalised terms used below have the meanings as set forth in Rule 902 of the US Securities Act.

- The offer or sale must be made in an Offshore Transaction;
- No Directed Selling Efforts may be made in the United States by, for purposes of Rule 903, the issuer, a Distributor, any of their respective Affiliates, or any person acting on behalf of any of the foregoing, or, for the purposes of Rule 904, the seller, an affiliate, or any person acting on their behalf;
- Offering Restrictions must be implemented;
- The offer or sale, if made prior to the expiration of a one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company, may not be made to a US Person or for the account or benefit of a US Person (other than a Distributor); and
- The offer or sale, if made prior to the expiration of a one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company, must be made pursuant to the following conditions:
  - The purchaser of the Shares (other than a Distributor) must certify that it is not a US Person and is not acquiring the Shares for the account or benefit of any US Person or is a US Person who purchased Shares in a transaction that did not require registration under the US Securities Act.
  - The purchaser of the Shares must agree to resell such Shares only in accordance with the provisions of Regulation S ("Regulation S") under the US Securities Act, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; and must agree not to engage in hedging transactions with regard to such Shares unless in compliance with the US Securities Act.
  - The Shares of the Company must contain a legend to the effect that transfer is prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; and that hedging transactions involving those Shares may not be conducted unless in accordance with the US Securities Act;
  - The Company is required, either by contract or a provision in its bylaws, articles, charter or comparable document, to refuse to register any transfer of the Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; provided however, that if the Shares are in bearer form or foreign law prevents the Company from refusing to register securities transfers, other reasonable procedures (such as a legend as described immediately above) are implemented to prevent any transfer of the Shares not made in accordance with the provisions of Regulation S; and
  - Each Distributor selling Shares to a Distributor, a dealer (as defined in Section 2(a)(12) of the US Securities Act), or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company, must send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a Distributor.
- In the case of an offer or sale of Shares prior to the expiration of the one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company by a dealer (as defined in Section 2(a)(12) of the US Securities Act), or a person receiving a selling concession, fee or other remuneration in respect of the Shares offered or sold:
  - Neither the seller nor any person acting on its behalf may know that the offeree or buyer of the Shares is a US Person; and
  - If the seller or any person acting on the seller's behalf knows that the purchaser is a dealer (as defined in Section 2(a)(12) of the US Securities Act) or is a person receiving a selling concession,

fee or other remuneration in respect of the Shares sold, the seller or a person acting on the seller's behalf must send to the purchaser a confirmation or other notice stating that the Shares may be offered and sold during the one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company only in accordance with the provisions of Regulation S; pursuant to registration of the Shares under the US Securities Act; or pursuant to an available exemption from the registration requirements of the US Securities Act.

- In the case of an offer or sale of Shares by an officer or director of the issuer or a Distributor, who is an affiliate of the issuer or Distributor solely by virtue of holding such position, no selling concession, fee or other remuneration may be paid in connection with such offer or sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

- Shares acquired from the Company, a Distributor, or any of their respective Affiliates in a transaction subject to the conditions of Rule 901 or Rule 903 are deemed to be "restricted securities" as defined in Rule 144 ("Rule 144") under the US Securities Act. Resales of any of such restricted securities by the offshore purchaser must be made in accordance with Regulation S, the registration requirements of the US Securities Act or an exemption therefrom. Any "restricted securities", as defined in Rule 144, will continue to be deemed to be restricted securities, notwithstanding that they were acquired in a resale transaction made pursuant to Rule 901 or 904.

Purchaser and Seller Certifications for Shares Held in the CREST System

While any Shares held in the CREST system have a "REG S" markers, persons taking delivery of the Shares (including in connection with the Placing), acquiring Shares by way of transfer or otherwise, or, upon withdrawal of the Shares from CREST, selling Shares, will be required in advance of such transaction to make the certifications, acknowledgements and agreements (as applicable), on its own behalf and on behalf of each person for which it is acquiring or, in certain instances, selling the Shares, summarised below:

- The Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons except pursuant to registration under the US Securities Act or an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.
- It is neither the Company nor an affiliate of the Company.
- It is not a US Person and is not acting for the account or benefit of any US Person.
- Unless the Company determines otherwise in compliance with applicable law, the Shares will bear a restrictive legend in substantially the form set out above.
- It has reviewed the restrictive legend (in substantially the form set out above), including the restrictions set forth in the text of the legend, and agrees to those restrictions.
- Unless the Shares are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act:
  - the Company will not be required to accept for registration of transfer any Shares that are being transferred to a US Person; and
  - the Company may require any person who is required to be a non-US Person, but is not, to transfer the Shares immediately in a manner consistent with the transfer restrictions.
- The Company's bylaws and articles may contain additional provisions that further limit your, or any such person's rights relating to these Shares.
- If it offers, resells, pledges or otherwise transfer the Shares, such Shares will be offered, resold, pledged or otherwise transferred only: (i) to the Company, (ii) to a transferee that agrees to also comply with the restrictions set forth in the certification (either in electronic form or in a form otherwise acceptable to the Company) and who is also a non-US Person in an offshore transaction in accordance with Regulation S of the Securities Act, or (iii) pursuant to registration, or an available exemption from registration, under the Securities Act.

- It will not engage, directly or indirectly, in hedging transactions with regard to the Shares unless in compliance with the US Securities Act.
- The Company, its Affiliates, Zeus Capital, the US Private Placement Agent and others will rely on the acknowledgments, representations and warranties contained in this certification as a basis for establishing the exemption of the sale of the Shares under the US Securities Act and under the securities laws of all applicable states, and for other purposes.
- By completing the purchase your certifications and agreements contained herein may be relied on by the Company or any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.
- If you are a broker dealer, your customer has been advised of and understands the contents of this certification and has authorized you to make the acknowledgements, representations, warranties and covenants contained herein on its behalf.

The legends and form of certification are in standard form and cannot be amended or tailored to different situations. The form and text of the certifications and the legends are subject to change in event of a change in applicable laws or regulations, market practice or operational procedures.

Purchasers of Shares in certificated form will be required in advance of any transfer to make equivalent certifications, acknowledgements and agreements in a form acceptable to the Company.

Certificated Legend

Shares in certificated form will bear a legend in substantially the form set forth below, unless the Company determines otherwise in compliance with applicable law:

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE SHARES ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144(a)(3) UNDER THE US SECURITIES ACT.

THE HOLDER HEREOF AGREES FOR THE BENEFIT OF THE COMPANY THAT THE SHARES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S")) EXCEPT: (I) IN AN "OFFSHORE TRANSACTION" (AS DEFINED IN REGULATION S) MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT (WHICH IT ACKNOWLEDGES THAT THE COMPANY IS UNDER NO OBLIGATION TO DO), IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE US SECURITIES LAWS AND, IN THE CASE OF (II), AN OPINION OF COUNSEL (OR SUCH OTHER EVIDENCE AS IS ACCEPTABLE TO THE COMPANY IN ITS SOLE DISCRETION) SHALL BE DELIVERED TO THE COMPANY (AND UPON WHICH THE COMPANY MAY RELY) REGARDING THE AVAILABILITY OF SUCH EXEMPTION. RESALES OR REOFFERS OF SHARES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S. AS PROVIDED IN THE BYLAWS OF THE COMPANY, THE COMPANY MAY REFUSE TO REGISTER ANY TRANSFER OF THE SHARES NOT MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH ABOVE. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE US SECURITIES ACT.

Rule 144 Restrictions

All Placing Shares and Subscription Shares are deemed to be restricted securities under the US Securities Act. Purchasers of purchasing Placing Shares or Subscription Shares who are not Affiliates will need to comply with Rule 144 promulgated under the US Securities Act with respect to any resales of Placing Shares or Subscription Shares within the United States or to, or for the account or benefit of, US Persons on the market or otherwise until the later of (i) the first anniversary of the initial purchase of such Placing Shares or

Subscription Shares and (ii) in the case of Placing Shares, the expiration of the Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company.

Rule 144 may be available for US resales of Shares by Affiliates of the Company, subject to various conditions including, among others, the availability of current information regarding the Company, satisfaction of applicable holding periods and volume and manner of sale restrictions. Shares held by Affiliates of the Company shall be held in certificated form and, accordingly, settlement shall not be permitted via the CREST system until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek advice of independent US legal counsel prior to selling or transferring any Shares. A liquid trading market for the Shares does not currently exist in the United States, and the Company does not expect such a market to develop soon.

Definition of US Person

In this document, a "US Person" has the meaning set forth in Regulation S and includes:

- any natural person resident in the United States;
- any partnership or corporation organised or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a US Person;
- any trust of which any trustee is a US Person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- any partnership or corporation if it is organised or incorporated under the laws of any foreign jurisdiction and formed by a US Person principally for the purpose of investing in securities not registered under the US Securities Act, unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 501(a) under the US Securities Act) who are not natural persons, estates or trusts.

The following are specifically identified as not being "US Persons":

- any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;
- any estate of which any professional fiduciary acting as executor or administrator is a US Person if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and the estate is governed by foreign law;
- any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- any agency or branch of a US Person located outside the United States if the agency or branch operates for valid business reasons; and the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.

APPENDIX

TERMS AND CONDITIONS OF THE PLACING

FOR INVITED PLACEES ONLY

THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THE "**TERMS AND CONDITIONS**") (WHICH IS FOR INFORMATION PURPOSES ONLY) ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017, (THE "**EU PROSPECTUS REGULATION**") ("**EU QUALIFIED INVESTORS**"); (B) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1179 WHICH FORMS PART OF DOMESTIC LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**") ("**UK QUALIFIED INVESTORS**") WHO ARE ALSO PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"); OR (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; (C) A LIMITED NUMBER OF PERSONS IN THE UNITED STATES THAT ARE "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT ("**QIBS**"), AND (D) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THESE TERMS AND CONDITIONS AND THE INFORMATION IN THEM MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THESE TERMS AND CONDITIONS MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THESE TERMS AND CONDITIONS DO NOT THEMSELVES CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

The Placing Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold only (i) outside of the United States to persons who are not US Persons or acting for the account or benefit of any US Persons in "offshore transactions" (as defined in Regulation S) in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3), or Category 3, of Regulation S and (ii) in the United States to persons reasonably believed to be QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any proposed offering of the Placing Shares, or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. There will be no public offer of the securities mentioned herein in the United States. Hedging transactions in the Placing Shares may not be conducted unless in compliance with the US Securities Act.

The Company has not been and will not be registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, as such, investors will not be entitled to the benefits of the Investment Company Act. No offer, purchase, sale or transfer of the Placing Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the Investment Company Act.

These Terms and Conditions or any part of them do not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for any securities in the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offer of securities of the Company, including the Placing Shares, is being made in the United Kingdom, the EEA, the United States or elsewhere.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be registered under or offered in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom and the EEA.

Hong Kong

WARNING: The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of the Securities. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Securities may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

This document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong without the consent of the issuer.

Japan

The Shares have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 as amended, the "**FIEA**") and disclosure under the FIEA has not been, and will not be, made with respect to the Shares. Neither the Shares nor any interest therein may be offered, sold, resold, or otherwise transferred, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, a resident of Japan is any person that is resident in Japan, including any corporation or other entity organised under the laws of Japan.

In connection with the primary offering of the Shares, registration pursuant to Article 4, Paragraph 1 of the FIEA has not been made as the solicitation for the offering is "*shoninzu muke kanyu*" as set out in Article 23-13, Paragraph 4 of the FIEA, and the Shares may only be offered, sold, resold or otherwise transferred, directly or indirectly to, or for the benefit of, 49 or fewer residents of Japan.

Introduction

Each Placee which confirms its agreement to the Sole Bookrunner or the US Private Placement Agent (whether orally or in writing) to subscribe for or purchase Placing Shares under the Placing, hereby agrees with the Sole Bookrunner, the US Private Placement Agent and the Company that it will be bound by these Terms and Conditions and will be deemed to have accepted them. By participating in the Placing, each Placee will be deemed to have read and understood this document, including these Terms and Conditions, in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions

contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in these Terms and Conditions.

The Company and/or the Sole Bookrunner and/or the US Private Placement Agent may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as they (in their absolute discretion) see fit and/or may require any such Placee to execute a separate placing letter or representation letter.

No prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of their own assessment of the Company, the Placing Shares and the Placing based on the information contained in this document (including these Terms and Conditions) and subject to any further terms set forth in any trade confirmation sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the contents of this document is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of the Sole Bookrunner, the US Private Placement Agent, the Company, the Selling Shareholders or any other person and none of the Sole Bookrunner, the US Private Placement Agent, the Company, the Selling Shareholders nor any other person acting on such person's behalf nor any of their respective Affiliates has or shall have any responsibility or liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received, and no reliance may be placed by a Placee on any earlier version or draft of this document, including any pathfinder admission document or printers proof admission document. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. No Placee should consider any information in this document to be legal, tax or business advice. Each Placee should consult its own attorney, tax advisor, and business adviser for legal, tax and business advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraud or fraudulent misrepresentation by that person.

Details of the Placing Agreement and the Placing Shares

In connection with the Placing, Zeus Capital is acting as Sole Bookrunner and Beech Hill is acting as the US Private Placement Agent. The Sole Bookrunner and the US Private Placement Agent will today enter into the Placing Agreement with the Company, the Directors and the Selling Shareholders under which, on the terms and subject to the conditions set out therein, each of the Sole Bookrunner and the US Private Placement Agent have agreed to use their reasonable endeavours to procure placees for the New Placing Shares (as agents for the Company) and, in accordance with the instructions of the Company, to use their reasonable endeavours to procure placees for the Sale Shares (as agents for the Selling Shareholders).

The Placing is not underwritten by the Sole Bookrunner or the US Private Placement Agent.

The New Placing Shares will, when issued, be credited as fully paid up and will be issued subject to the Company's certificate of incorporation and bylaws and rank *pari passu* in all respects with the existing Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Shares after the date of issue of the Placing Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

The Sale Shares will, when sold, be credited as fully paid up. The Sale Shares are subject to the Company's certificate of incorporation and bylaws and rank *pari passu* in all respects with the existing Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Shares. The Sale Shares will be sold free of all claims, liens, charges, encumbrances and equities.

The Sole Bookrunner, the US Private Placement Agent and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before Admission.

Application for admission to trading

Application will be made to the London Stock Exchange for the admission of the Placing Shares to trading on AIM ("**Admission**").

It is expected that Admission of the Placing Shares will become effective at 8.00 a.m. (London time) on or around 4 November 2021 (or such later time and/or date as the Sole Bookrunner and the US Private Placement Agent may agree with the Company, being no later than 2 December 2021) and that dealings in the Placing Shares will commence at that time.

Once the Placing Shares are admitted to trading on AIM, the Placing Shares will trade under the symbol DEVO. The Placing Shares (represented by the Depository Interests) will be held in the CREST system and identified with the marker "REG S" and segregated into a separate sector of the trading system within CREST for the duration of the Distribution Compliance Period.

Participation in, and principal terms of, the Placing

1. The Sole Bookrunner and the US Private Placement Agent are arranging the Placing as agents for the Company and for the Selling Shareholders (on instructions from the Company). Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Sole Bookrunner and the US Private Placement Agent. Each of the Sole Bookrunner and the US Private Placement Agent may itself agree to be a Placee in respect of all or some of the Placing Shares or may nominate any member of its group to do so.

2. Allocations of the Placing Shares will be determined by Zeus Capital after consultation with the Company (the proposed allocations having been supplied by Zeus Capital to the Company in advance of such consultation). Allocations will be confirmed to Placees acquiring Placing Sharers in reliance on Regulation S either orally or in writing by the Sole Bookrunner and a contract note may be despatched thereafter. If a contract note is despatched, these Terms and Conditions shall be deemed incorporated into that contract note. The Sole Bookrunner's confirmation to such Placee constitutes an irrevocable legally binding commitment upon such person (who will at that point become a Placee), in favour of the Sole Bookrunner and the Company, pursuant to which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay or procure the payment of the Placing Price in respect of such shares on the terms and conditions set out in these Terms and Conditions (the "**Placing Participation**"). Except with the Sole Bookrunner's consent, such confirmation will be legally binding on the Placee on behalf of which it is made and will not be capable of variation or revocation after the time at which it is submitted.

3. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

4. All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

5. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

6. To the fullest extent permissible by law, neither the Sole Bookrunner, nor the US Private Placement Agent, nor the Company, nor the Directors, nor the Selling Shareholders, nor any of their respective Affiliates, agents, directors, officers or employees shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Sole Bookrunner, nor the US Private Placement Agent, nor the Company, nor the Directors, nor the Selling Shareholders, nor any of their respective Affiliates, agents, directors, officers or employees shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Sole Bookrunner's or the US Private Placement Agent's conduct of the Placing or of such alternate method of effecting the Placing as Zeus Capital and the Company may determine.

7. The Placing Shares will be issued subject to these Terms and Conditions and each Placee's commitment to subscribe for or purchase Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's, or the Sole Bookrunner's or the US Private Placement Agent's conduct of the Placing.

8. All times and dates in this document may be subject to amendment. The Sole Bookrunner or the US Private Placement Agent shall notify the Placees and any person acting on behalf of the Placees of any changes.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Sole Bookrunner's and the US Private Placement Agent's obligations under the Placing Agreement are conditional on customary conditions including (amongst others) (the "**Conditions**"):

1. each of the Company, the Directors and the Selling Shareholders having complied with all of their obligations under the Placing Agreement which fall to be performed or satisfied on or prior to Admission; and

2. Admission occurring no later than 8.00 a.m. (London time) on 4 November 2021 (or such later time and/or date, not being later than 8.00 a.m. (London time) on 2 December 2021, as the Sole Bookrunner and the US Private Placement Agent may otherwise agree with the Company) (the "**Long Stop Date**").

The Sole Bookrunner and the US Private Placement Agent may, at their discretion and upon such terms as they think fit, extend the time for satisfaction of, or waive compliance by the Company, the Directors or the Selling Shareholders with the whole or any part of any of their respective obligations in relation to the Conditions or extend the time or date provided for fulfilment of any such Conditions in respect of all or any part of the performance thereof, provided that it shall not be later than the Long Stop Date. The condition in the Placing Agreement relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in these Terms and Conditions.

If: (i) any of the Conditions are not fulfilled or (where permitted) waived or extended by the Sole Bookrunner and the US Private Placement Agent by the relevant time or date specified (or such later time or date as the Company and the Sole Bookrunner and the US Private Placement Agent may agree, not being later than the Long Stop Date); or (ii) the Placing Agreement is terminated in the circumstances specified below under "Right to terminate under the Placing Agreement", the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it or on its behalf (or any person on whose behalf the Placee is acting) in respect thereof.

Neither the Sole Bookrunner, nor the US Private Placement Agent, nor the Company, nor the Selling Shareholders, nor any of their respective Affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any Condition to the Placing, nor for any decision they may make as to the satisfaction of any Condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Sole Bookrunner and the US Private Placement Agent.

Right to terminate under the Placing Agreement

Each of the Sole Bookrunner and the US Private Placement Agent is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including where (amongst other things):

1. any statement contained in this document has become or been discovered to be untrue, incorrect or misleading;

2. there has been a breach by the Company, the Selling Shareholders or the Directors of any of the warranties contained in the Placing Agreement;
3. the Company, the Selling Shareholders or the Directors have failed to comply with any of their obligations under the Placing Agreement;
4. there has been a material adverse change in connection with the Group; or
5. a force majeure event occurs.

Where the Placing Agreement is terminated by the US Private Placement Agent only, Zeus Capital may elect to proceed with the Placing, in which case such termination shall apply to the US Private Placement Agent only and the Placing Agreement shall continue in full force and effect as between the Company, the Directors, the Selling Shareholders and Zeus Capital.

Upon termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, each Placee agrees that (i) the exercise by the Sole Bookrunner or the US Private Placement Agent of any right of termination or of any other discretion under the Placing Agreement shall be within the absolute discretion of the Sole Bookrunner and the US Private Placement Agent (acting in good faith) and that they need not make any reference to, or consult with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise or failure to so exercise and (ii) its rights and obligations terminate only in the circumstances described above under "Right to terminate under the Placing Agreement" and "Conditions of the Placing", and its participation will not be capable of rescission or termination by it after oral confirmation by the Sole Bookrunner or the US Private Placement Agent of the allocation and commitments.

Lock-up Arrangements

The Company has undertaken to the Sole Bookrunner and the US Private Placement Agent that, between the date of the Placing Agreement and 180 days after Admission, it will not, without the prior written consent from Zeus Capital (such consent not to be unreasonably withheld or delayed) directly or indirectly, offer, issue, lend, sell or contract to sell, issue options in respect of or otherwise dispose of, or announce an offer or issue of any Shares of the Company (or any interest therein or in respect thereof) or any other securities exchangeable or convertible into, or substantially similar to, shares of the Company, or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing. However, this undertaking shall not prevent or restrict (i) the issue of the Fundraising Shares; (ii) an matters pursuant to the Pre-IPO Reorganisation; (iii) the grant or exercise of options or other rights to subscribe for Shares (or any interest therein or in respect thereof) pursuant to any share option or other incentive schemes of the Group in existence at the date of the Placing Agreement and described in paragraph 6 of Part VI (*Additional Information*) of this document, (iv) the issue by the Company of the Contingent Consideration Shares as summarised in paragraph 11 of Part I (*Information on the Group*) of this document and (v) the issue by the Company of any Shares upon the exercise of any right or option or the conversion of a security in existence as at the date of the Placing Agreement.

By participating in the Placing, Placees agree that the exercise by Zeus Capital of any power to grant consent to the undertaking by the Company of a transaction which would otherwise be subject to the lock-up provisions under the Placing Agreement shall be within the absolute discretion of Zeus Capital and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

Registration and Settlement

Settlement of transactions in the Placing Shares (as represented by Depositary Interests) (ISIN: USU0858L1036 with the marker "REG S") following Admission will take place within the system administered by CREST, subject to certain exceptions. The Company reserves the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if, in the Sole Bookrunner's or US Placement Agent's opinion, delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction. Placing

Shares acquired or held by Affiliates of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek independent US legal counsel prior to selling or transferring any common shares.

Each Placee to be allocated Placing Shares in the Placing in reliance on Regulation S will have the number of Placing Shares allocated to them at the Placing Price, the aggregate amount owed by such Placee to Zeus Capital and settlement instructions confirmed to them by Zeus Capital. Each Placee acquiring Placing Shares in reliance on Regulation S agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with Zeus Capital.

The Company will deliver the Placing Shares sold in reliance on Regulation S to a CREST account operated by Zeus Capital (or such nominee for Zeus Capital as may be notified by Zeus Capital), as agent for the Company, and Zeus Capital will enter its delivery instruction into the CREST system against each Placee. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery against payment of the relevant Placing Shares to that Placee.

Each Placee acquiring Placing Shares in reliance on Regulation S should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Zeus Capital:	601
Trade date:	27 October 2021
Settlement date:	4 November 2021
ISIN code for the Shares:	USU0858L1036
Deadline for instructions input into CREST:	noon (London time) on 4 November 2021

It is expected that settlement in respect of the Placing Shares will take place on 4 November 2021 on a delivery versus payment basis.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Sole Bookrunner.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Sole Bookrunner may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for their account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and will be required to bear any stamp duty or stamp duty reserve tax or other taxes or duties (together with any interest or penalties) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that any trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are issued in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. If there are any circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes or duties (including any interest and penalties relating thereto) is payable in respect of the allocation, issue, sale, transfer or delivery of the Placing Shares (or, for the avoidance of doubt, if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), neither the Sole Bookrunner nor the Company shall be responsible for payment thereof.

Notwithstanding the above, the right is reserved to deliver all of the Placing Shares to which the Placee is entitled in certificated form should the Sole Bookrunner consider this necessary or desirable.

CREST: Regulation S Category 3 Settlement Service

The Placing Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold only (i) outside the United States to persons who are not US persons or acting for the account or benefit of any US Persons in "offshore transactions" (as defined in Regulation S) in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3), or Category 3, of Regulation S and (ii) in the United States to persons reasonably believed to be QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares sold in reliance on Regulation S will be subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. The Placing Shares are "restricted securities" as defined in Rule 144 under the US Securities Act. Purchasers of the Placing Shares may not offer, sell, pledge or otherwise transfer Placing Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act.

Each subscriber for Placing Shares, by subscribing for such Placing Shares, agrees to reoffer or resell the Shares only pursuant to registration under the US Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act. The above restrictions severely restrict subscribers of Placing Shares from reselling the Placing Shares in the United States or to, or for the account or benefit of, any US Person. The Company currently intends that these restrictions will remain in place indefinitely.

Once the Placing Shares are admitted to trading on AIM, the Placing Shares will trade in the Company's restricted line of Shares under the symbol DEVO, and the Placing Shares (represented by the Depository Interests) subscribed for and held by non-Affiliates of the Company will be held in the CREST system and identified with the marker "REG S". The "REG S" marker indicates that the Shares held in the CREST system will bear the legend set out in Part VII of this document (*US Restrictions on the Transfer of Shares*), which describes certain transfer restrictions and other information, including that: (a) the Shares may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, into or from the United States or to, or for the account or benefit of, US Persons except (i) in an offshore transaction meeting the requirements of Regulation S, (ii) pursuant to an available exemption from registration under the US Securities Act or (iii) pursuant to an effective registration statement under the US Securities Act; and (b) hedging transactions involving the Shares may not be conducted unless in compliance with the US Securities Act.

The certifications, acknowledgements and agreements set out in Part VII of this document (*US Restrictions on the Transfer of Shares*) must be made through the CREST system by those selling or acquiring the Shares with the "REG S" marker. If such certifications, acknowledgements and agreements cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Placing Shares held by US Persons and Affiliates of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek advice of independent US legal counsel prior to selling or transferring any Shares.

Certificated Settlement

If you are not a CREST member, or if you are electing for, or required to receive, delivery of your Placing Shares outside of the CREST system, delivery of your Placing Shares will take place in certificated form.

Representations, warranties, undertakings and acknowledgements

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with the Sole Bookrunner and the US Private Placement Agent (in their capacities as bookrunner and placing agent of the Company and the Selling Shareholders in respect of the Placing) and the Company, in each case as a fundamental term of their application for Placing Shares, the following:

General

1. it has read and understood this document, including these Terms and Conditions, in its entirety and its acquisition and/or subscription for Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with the Placing, the Company, the Placing Shares or otherwise other than the information contained in this document;

2. its acceptance, whether by telephone or otherwise, of its participation in the Placing on the terms set out in this document and these Terms and Conditions is legally binding, irrevocable and is not capable of termination or rescission by it in any circumstances;

3. the person whom it specifies for registration as holder of the Placing Shares will be (a) itself or (b) its nominee, as the case may be. Neither the Sole Bookrunner, nor the US Private Placement Agent, nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes or duties imposed in any jurisdiction (including interest and penalties relating thereto) ("**Indemnified Taxes**"). Each Placee and any person acting on behalf of such Placee agrees to indemnify the Company, and the Sole Bookrunner, nor the US Private Placement Agent, on an after-tax basis in respect of any Indemnified Taxes;

4. neither the Sole Bookrunner, nor the US Private Placement Agent, nor any of their Affiliates, agents, directors, officers and employees accepts any responsibility for any acts or omissions of the Company or any of the directors of the Company or any other person (other than the Sole Bookrunner or the US Private Placement Agent, respectively) in connection with the Placing;

5. time is of the essence as regards its obligations under these Terms and Conditions;

6. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the Sole Bookrunner;

7. it agrees to be bound by the certificate of incorporation and bylaws of the Company (as amended from time to time) once the Placing Shares which it has agreed to subscribe for or purchase pursuant to the Placing have been acquired by it;

8. it agrees that these Terms and Conditions shall survive after completion of the Placing and Admission;

No distribution of Admission Document

9. it will not redistribute, forward, transfer, duplicate or otherwise transmit this document or any part of it, or any other presentational or other material concerning the Placing (including electronic copies thereof) to any person and represents that it has not redistributed, forwarded, transferred, duplicated, or otherwise transmitted any such materials to any person;

No prospectus

10. no prospectus or other offering document is required under the UK Prospectus Regulation or the EU Prospectus Regulation, nor will one be prepared in connection with the Placing or the Placing Shares and it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares;

Purchases by the Sole Bookrunner or the US Private Placement Agent for their own accounts

11. in connection with the Placing, each of the Sole Bookrunner and the US Private Placement Agent and any of their Affiliates acting as an investor for its own account may subscribe for Placing Shares and in that capacity may retain, purchase or sell for its own account such Placing Shares and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this document to the Placing Shares being issued, sold, offered or placed should be read as including any issue, sale, offering or placement of such shares in the Company to the Sole Bookrunner or the US Private Placement Agent or any of their Affiliates acting in such capacity;

12. each of the Sole Bookrunner, the US Private Placement Agent and their Affiliates may enter into financing arrangements and swaps with investors in connection with which each of the Sole Bookrunner, the US Private Placement Agent and their Affiliates may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares;

13. the Sole Bookrunner and the US Private Placement Agent do not intend to disclose the extent of any investment or transactions referred to in paragraphs 11 and 12 above otherwise than in accordance with any legal or regulatory obligation to do so;

No fiduciary duty or client of the Sole Bookrunner or the US Private Placement Agent

14. none of the Sole Bookrunner, the US Private Placement Agent, the Company, the Directors or the Selling Shareholders owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;

15. its participation in the Placing is on the basis that it is not and will not be a client of either the Sole Bookrunner or the US Private Placement Agent in connection with its participation in the Placing and that the Sole Bookrunner and the US Private Placement Agent do not have any duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

No responsibility of the Sole Bookrunner or the US Private Placement Agent for information

16. the contents of this document have been prepared by and is exclusively the responsibility of the Company and neither the Sole Bookrunner, nor the US Private Placement Agent, nor their Affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is responsible for or has or shall have any responsibility or liability for any information, representation or statement contained in, or omission from, this document or otherwise nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this document or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by such person;

Reliance on information regarding the Placing

17. (a) the only information on which it is entitled to rely on and on which such Placee has relied in committing itself to subscribe for or purchase Placing Shares is contained in this document, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares;

    (b) it has neither received nor relied on any other information given, or representations, warranties or statements, express or implied, made, by the Sole Bookrunner, the US Private Placement Agent or the Company nor any of their respective Affiliates, agents, directors, officers or employees acting on behalf of any of them (including in any management presentation delivered in respect of the Placing) with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of any information contained in this document or otherwise;

    (c) neither the Sole Bookrunner, nor the US Private Placement Agent, nor the Company, nor any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, nor will provide, it with any material or information regarding the Placing Shares or the Company or any other person other than the information in this document; nor has it requested any of the Sole Bookrunner, the US Private Placement Agent, the Company, any of their respective Affiliates or any person acting on behalf of any of them to provide it with any such material or information; and

    (d) neither the Sole Bookrunner, nor the US Private Placement Agent, nor the Company will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement,

    provided that nothing in this paragraph 17 excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;

Conducted own investigation and due diligence

18. it may not rely, and has not relied, on any investigation that the Sole Bookrunner, the US Private Placement Agent, any of their Affiliates or any person acting on their behalf, may have conducted with respect to the Placing Shares, the terms of the Placing or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing, the Placing Shares or the accuracy, completeness or adequacy of the information in this document or any other information;

19. in making any decision to subscribe for Placing Shares it:

    (a) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for the Placing Shares;

    (b) is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Placing Shares;

    (c) is able to sustain a complete loss of an investment in the Placing Shares;

    (d) will not look to the Sole Bookrunner nor the US Private Placement Agent for all or part of any such loss it may suffer;

    (e) has no need for liquidity with respect to its investment in the Placing Shares;

    (f) has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Placing Shares; (including, without limitation, any federal, state or local tax consequences affecting it in connection with its purchase and subsequent disposal of the Placing Shares);

    (g) will be relying solely on the information contained in this document and these Terms and Conditions and will not be relying on any agreements or statements by the Company and its subsidiaries or the Sole Bookrunner or the US Private Placement Agent or any director, employee or agent of the Company or the Sole Bookrunner or the US Private Placement Agent other than expressly set out in this document and these Terms and Conditions; and

    (h) has conducted its own due diligence, examination, investigation and assessment of the Company, the Placing Shares and the terms of the Placing and has satisfied itself that the information resulting from such investigation is still current and relied on that investigation for the purposes of its decision to participate in the Placing;

Capacity and authority

20. it is subscribing for the Placing Shares for its own account or for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the acknowledgements, representations and agreements contained in these Terms and Conditions;

21. it is acting as principal only in respect of the Placing or, if it is acting for any other person, it is:

    (a) duly authorised to do so and has full power to make the acknowledgments, representations, indemnities, undertakings, warranties and agreements herein on behalf of each such person; and

    (b) will remain liable to the Company and/or the Sole Bookrunner and/or the US Private Placement Agent for the performance of all its obligations as a Placee in respect of the Placing (whether or not it is acting for another person);

22. it and any person acting on its behalf is entitled to subscribe for or purchase the Placing Shares under the laws and regulations of all relevant jurisdictions that apply to it and that it has fully observed such laws and regulations, has capacity and authority and is entitled to enter into and perform its obligations as a subscriber or purchaser of Placing Shares and will honour such obligations, and has obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in these Terms and Conditions) and will honour such obligations and that it has not taken any action or omitted to take any action which will or may result in the Sole Bookrunner, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;

23. where it is subscribing for or purchasing Placing Shares for one or more managed accounts, it is authorised in writing by each managed account to subscribe for or purchase the Placing Shares for each managed account;

24. it irrevocably appoints any duly authorised officer of either of the Sole Bookrunner as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe for or purchase upon the terms of these Terms and Conditions;

Excluded territories

25. the Placing Shares have not been and will not be registered or otherwise qualified and a prospectus will not be cleared in respect of any of the Placing Shares under the securities laws or legislation of the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa, or any state, province, territory or jurisdiction thereof;

26. the Placing Shares may not be offered, sold, or delivered or transferred, directly or indirectly, in or into the above jurisdictions (subject to certain exceptions) or any jurisdiction in which it would be unlawful to do so and no action has been or will be taken by any of the Company, the Sole Bookrunner or any person acting on behalf of the Company or the Sole Bookrunner that would, or is intended to, permit a public offer of the Placing Shares in the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other country or jurisdiction, or any state, province, territory or jurisdiction thereof, where any such action for that purpose is required;

27. unless otherwise specifically agreed with the Sole Bookrunner, it is not and at the time the Placing Shares are subscribed for, neither it nor the beneficial owner of the Placing Shares will be, a resident of, nor have an address in, Australia, New Zealand, Japan, the Republic of South Africa or any province or territory of Canada;

28. it has not distributed, forwarded, transferred or otherwise transmitted and will not distribute, forward, transfer or otherwise transmit this document or any part of it, or any other presentational or other materials concerning the Placing (including electronic copies thereof) in or into or from the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa;

29. it may be asked to disclose in writing or orally to the Sole Bookrunner:

    (a) if he or she is an individual, his or her nationality; or

    (b) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned;

Compliance with US securities laws

30. the Placing Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the US Securities Act, and the Placing Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and are "restricted securities" within the meaning of Rule 144 under the US Securities Act. Further, the Company has not registered and does not intend to register under the US Investment Company Act of 1940, as amended;

31. it, and the prospective beneficial owner of the Placing Shares, are:

    (a) (i) outside the United States, (ii) not US Persons and are not acquiring the Placing Shares for the account or benefit of a US Person, and (iii) acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S, and the Placing Shares have not been offered to them by means of any "directed selling efforts" (as defined in Regulation S); or

    (b) (i) in the United States, (ii) a QIB, (iii) aware that the sale of the Placing Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and the Placing Shares have not been offered to them by means of any "general solicitation" or "general advertising" (within the meaning of Regulation D promulgated under the US Securities Act);

32. the Placing Shares are "restricted securities" under Rule 144 under the US Securities Act, it agrees that it will not offer, sell, pledge or otherwise transfer the Placing Shares, directly or indirectly, within, into or from the United States or to, or for the account or benefit of, US Persons except (i) in an "offshore transaction" (as defined in Regulation S) meeting the requirements of Regulation S, (ii) pursuant to an available exemption from registration under the US Securities Act and in accordance with applicable state securities laws, or (iii) pursuant to an effective registration statement under the US Securities Act. The Company is under no obligation, and does not intend, to register or qualify the Placing Shares under the US Securities Act or applicable securities laws of any state or other jurisdiction of the United States;

33. the Placing Shares to be sold in reliance on Regulation S are subject to the restrictions of Category 3 of Regulation S set forth in Rule 903(b)(3) of Regulation S, and may not be sold to, or for the account or benefit of, any US Person until at least the expiry of one year after the later of (a) the time when the Placing Shares are first offered to persons other than distributors in reliance upon Regulation S and (b) the date of the closing of the Placing, or such longer period as may be required under applicable law or as determined by the Company (the "**Distribution Compliance Period**");

34. the Placing Shares will bear the legends set forth in Part VII of this document (*US Restrictions on the Transfer of Shares*) (as applicable);

35. it will not engage in any hedging transactions, directly or indirectly, with regard to the Placing Shares unless in compliance with the US Securities Act;

36. the Company may refuse to register any transfer of the Shares not made in accordance with the provisions of Regulation S, pursuant to an effective registration under the US Securities Act, or pursuant to an available exemption from registration;

37. it is not registered and is not required to be registered as a broker or a dealer under the United States Securities Exchange Act of 1934, as amended, and it has not been granted, nor shall it accept, any selling concession, discount or other allowance from a participant in the Placing that is a member of the United States Financial Industry Regulatory Authority and are acquiring the Placing Shares for investment purposes and not with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States;

38. if it is permitted and wishes to take delivery of the Placing Shares in a CREST account, it must make, and hereby makes, the certifications, acknowledgments and agreements, as summarised in Part VII of this document (*US Restrictions on the Transfer of Shares*), through the CREST system; if such certifications, acknowledgments and agreements cannot be made or are not made, delivery through CREST will be rejected;

39. any offer or sale of the Placing Shares held through CREST must be made to persons who are not US Person, or acting for the account or benefit of US Persons, in "offshore transactions" (as defined in Regulation S) meeting the requirements of Regulation S and in accordance with the transfer restrictions set forth in Part VII of this document (*US Restrictions on the Transfer of Shares*); during the Distribution Compliance Period, prior to any proposed transfer of the Placing Shares, other than pursuant to an effective registration statement, the certifications, acknowledgments and agreements, as summarised in Part VII of this document (*US Restrictions on the Transfer of Shares*), must be made through the CREST system by those selling or acquiring the Placing Shares; if such certifications, acknowledgments and agreements cannot be made or are not made, settlement through CREST will be rejected;

40. if it is acquiring Placing Shares being sold in reliance on Regulation S, it has complied and will comply with the offering restrictions requirement set out under Rule 903(b)(3) of Regulation S;

41. it is not an Affiliate of the Company nor does it expect to become an Affiliate of the Company as a result of its participation in the Placing; and

42. it will not distribute, forward, transfer or otherwise transmit this document or any part of it, or any other presentational or other materials concerning the Placing (including electronic copies thereof) in or into or from the United States to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;

Compliance with EEA selling restrictions and the EU Prospectus Regulation

43. if in a member state of the EEA, unless otherwise specifically agreed with Zeus Capital in writing, it is an EU Qualified Investor;

44. it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA except to EU Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;

45. if a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation, the Placing Shares subscribed for by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA other than EU Qualified Investors, or in circumstances in which the prior consent of Zeus Capital has been given to each proposed offer or resale;

Compliance with FSMA, the UK Prospectus Regulation, the UK financial promotion regime and UK MAR

46. if in the United Kingdom, that it is both: (i) a UK Qualified Investor; and (ii) a person (a) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) (Investment Professionals) of the Order, or (b) who falls within Article 49(2)(a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order, or (c) to whom it may otherwise lawfully be communicated;

47. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**");

48. if a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, the Placing Shares subscribed for by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in the United Kingdom other than UK Qualified Investors, or in circumstances in which the prior consent of Zeus Capital has been given to each proposed offer or resale;

49. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this document have not and will not have been approved by the Sole Bookrunner in their capacity as authorised persons under section 21 of the FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as a financial promotion by an authorised person;

50. it has complied and will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all applicable provisions in FSMA and the Market Abuse Regulation (EU Regulation No. 596/2014 which forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018) ("**UK MAR**") in respect of anything done in, from or otherwise involving, the United Kingdom);

Compliance with laws

51. if it is a pension fund or investment company, its subscription for Placing Shares is in full compliance with applicable laws and regulations;

52. it is not a (i) a person named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (ii) a person subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations;

53. it has complied with its obligations under the Criminal Justice Act 1993 and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, the Anti-terrorism, Crime and Security Act 2001 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

54. in order to ensure compliance with the Regulations, the Sole Bookrunner (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to the Sole Bookrunner or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the Sole Bookrunner's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the Sole Bookrunner's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity, either of the Sole Bookrunner (for itself and as agents on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either the Sole Bookrunner and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of issue will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

Depositary receipts and clearance services

55. the allocation, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer Placing Shares into a clearance service;

Undertaking to make payment

56. it (and any person acting on its behalf) has the funds available to pay for the Placing Shares for which it has agreed to subscribe or purchase and acknowledges and agrees that it will make payment in respect of the Placing Shares allocated to it in accordance with these Terms and Conditions on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Sole Bookrunner may in its sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the relevant Placing Price and the number of Placing Shares allocated to it and will be required to bear any stamp duty, stamp duty reserve tax or other taxes or duties (together with any interest, fines or penalties) imposed in any jurisdiction which may arise upon the sale of such Placee's Placing Shares;

Money held on account

57. any money held in an account with Zeus Capital on behalf of the Placee and/or any person acting on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from Zeus Capital's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee;

Allocation

58. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for or purchase, and that the Sole Bookrunner or the Company may call upon it to subscribe for or purchase a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

No recommendation

59. neither it nor, as the case may be, its clients expect the Sole Bookrunner, nor any of its Affiliates, nor any person acting on behalf of them, to have any duties or responsibilities to it similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook contained in the FCA's Handbook of Rules and Guidance, and that the Sole Bookrunner is not asking for it or its clients, and that the Sole Bookrunner will not be responsible to any person other than the Company for providing protections afforded to its clients;

Inside information

60. if it has received any 'inside information' (for the purposes of UK MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities in advance of the Placing, it confirms that it has received such information within the market soundings regime provided for in article 11 of UK MAR and associated delegated regulations and it has not:

    (a) used that inside information to acquire or dispose of securities of the Company or financial instruments related thereto or cancel or amend an order concerning the Company's securities or any such financial instruments;

    (b) used that inside information to encourage, require, recommend or induce another person to deal in the securities of the Company or financial instruments related thereto or to cancel or amend an order concerning the Company's securities or such financial instruments; or

    (c) disclosed such information to any person, prior to the information being made publicly available;

Rights and remedies

61. the rights and remedies of the Company, the Sole Bookrunner and the US Private Placement Agent under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others;

Times and dates

62. all times and dates in this document and under these Terms and Conditions may be subject to amendment and the Sole Bookrunner or the US Private Placement Agent shall notify it of any such amendments; and

Governing law and jurisdiction

63. these terms and conditions of the Placing and any agreements entered into by it pursuant to the terms and conditions of the Placing, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by either the Company or the Sole Bookrunner or the US Private Placement Agent in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

The foregoing representations, warranties, confirmations, acknowledgements, agreements and undertakings are given for the benefit of the Company as well as the Sole Bookrunner and the US Private Placement Agent and are irrevocable. The Sole Bookrunner, the US Private Placement Agent, the Company and their respective Affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, confirmations, acknowledgements, agreements and undertakings. Each Placee, and any person acting on behalf of such Placee, irrevocably authorises the Company, the Sole Bookrunner and the US Private Placement Agent to produce these Terms and Conditions, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein.

Indemnity

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify on an after tax basis and hold the Company, the Sole Bookrunner, the US Private Placement Agent and their respective Affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in these Terms and Conditions or incurred by the Sole Bookrunner, the US Private Placement Agent, the Company or each of their respective Affiliates, agents, directors, officers or employees arising from the performance of the Placees' obligations as set out in these Terms and Conditions, and further agrees that the provisions of these Terms and Conditions shall survive after completion of the Placing.

Information to Distributors

UK Product Governance Requirements

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Zeus Capital, as Sole Bookrunner, shall only procure investors in the United Kingdom which meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Shares.

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

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures(together, the "**EU Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the EU Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to product approval process, which has determined that the Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in EU Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by EU Product Governance Requirements (the "**EU Target Market Assessment**"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer

no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Zeus Capital, as Sole Bookrunner, shall only procure investors in the European Union which meet the criteria of professional clients and eligible counterparties.

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

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

Zeus Capital

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