

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”), who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked “ex” by the London Stock Exchange plc (“**London Stock Exchange**”), please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, the distribution of this document into jurisdictions other than the UK may be restricted by law and such documentation should not be mailed, distributed, forwarded to or transmitted in or into the United States, Australia, New Zealand, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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 United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Placing Shares and Consideration Shares to be admitted to trading on AIM. Subject to, *inter alia*, the Resolutions being passed, it is expected that Admission will become effective and dealings in the Placing Shares and the Consideration Shares will commence on AIM on 29 May 2019. The Placing Shares being issued pursuant to the Placing and the Consideration Shares being issued in connection with the Acquisition will, on Admission, rank in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Shares of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission.

**This document contains no offer to purchase, acquire or subscribe for, or the solicitation of an offer to purchase, acquire or subscribe for, Placing Shares or an invitation to purchase, acquire or subscribe for transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.**

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# **ATTRAQT Group Plc**

*(Incorporated under the Companies Act 2006 and registered in England and Wales with company number 08904529)*

## **Proposed acquisition of the entire issued share capital of Early Birds SAS**

### **Placing of 63,333,334 new Ordinary Shares at 27 pence per Ordinary Share**

### **Issue of 10,346,284 Consideration Shares**

**and**

### **Notice of General Meeting**

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Your attention is drawn to the letter from the Chairman of the Company which is set out on page 17 of this document and which contains the Directors’ unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a general meeting, to be held at 7th Floor, 222-236 Gray’s Inn Road, London, England WC1X 8HB on 28 May 2019 at 10.30 a.m., is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company’s registrars, Link Asset Services, 34 Beckenham Road Beckenham Kent BR3 4TU by no later than 10.30 a.m. on 23 May 2019. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

If you have any questions relating to return of the Form of Proxy, please telephone the Company’s registrars, Link Asset Services, 34 Beckenham Road Beckenham Kent BR3 4TU, on 0871 664 0300 from within the UK, or on +44 371 664 0300 from outside of the UK and calls will be charged at the applicable international rate. Calls cost 12p per minute plus your phone company’s access charge. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Acquisition and Placing nor give any financial, legal or tax advice. The Directors, whose names and details are set out on page 17 of this document, accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document

is in accordance with the facts and does not omit anything likely to affect the import of such information. Nothing in this document shall be effective to limit or exclude any liability for fraud or which, by law or regulation, cannot otherwise be so limited or excluded.

The Placing Shares described in this document have not been, and will not be, registered under the United States Securities Act of 1933 (“**Securities Act**”) or under the securities laws of any state of the United States. The Placing Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Placing Shares in 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 the 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.

In addition, offers, sales or transfers of the Placing Shares in or into the United States for a period of time following completion of the Placing by a person (whether or not participating in the Placing) may violate the registration requirement of the Securities Act.

Furthermore, the Placing Shares have not been and will not be registered under the applicable laws of any of Australia, Canada, the Republic of South Africa or Japan and, consequently, may not be offered or sold to any national, resident or citizen thereof.

Canaccord Genuity Limited (“**Canaccord**”) which is authorised and regulated by the FCA, is acting as nominated adviser to the Company for the purposes of the AIM Rules. Persons receiving this document should note that Canaccord is acting exclusively for the Company and no one else and will not be responsible to anyone, other than the Company, for providing the protections afforded to its customers or for advising any other person on the transactions and arrangements described in this document. No representation or warranty, express or implied, is made by Canaccord to any of the contents of this document in connection with the Acquisition and Placing, or otherwise.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Copies of this document are available, free of charge, at the office of Attraqt Group plc at 7th Floor 222-236 Gray’s Inn Road, London, England, WC1X 8HB and on the Company’s website at [www.attraqt.com](http://www.attraqt.com).

## IMPORTANT NOTICE

### **Risks related to an investment in the Enlarged Group**

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

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

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

### **Cautionary note regarding forward-looking statements**

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, *inter alia*, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events, and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Enlarged Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the City Code, the Prospectus Rules and/or the FSMA, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

### **Notice to overseas persons**

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### **Basis on which information is presented**

In this document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom and references to "euros", "€" and "EUR" are the lawful currency of the member states

of the European Union (excluding the United Kingdom and Norway). Various figures presented in this document are expressed in both pounds sterling and euros. For these purposes, the exchange rate is deemed to be £1: €1.15.

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

**References to defined terms**

Certain terms used in this document are defined and explained in the section of this document headed “Definitions”.

All dates and times referred to in this document are, unless otherwise stated, references to the date in London and to London time, respectively.

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## DEFINITIONS AND GLOSSARY

“Acquisition”	the proposed acquisition by the Company of the entire issued and to be issued share capital of Early Birds pursuant to the Acquisition Agreement;
“Acquisition Agreement”	the conditional agreement dated 8 May 2019 entered into between: (1) the Company; (2) the Sellers; and (3) the Guarantor, pursuant to which the Company has agreed to acquire the entire issued and to be issued share capital of Early Birds;
“Act”	the Companies Act 2006;
“Admission”	means admission of the Placing Shares and the Consideration Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
“AI”	artificial intelligence;
“AIM”	the AIM market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“API”	application programming interface;
“Canaccord”	Canaccord Genuity Limited;
“Closing”	means the closing of the Acquisition in accordance with the terms of the Acquisition Agreement; expected to occur on 29 May 2019 (conditional upon, <i>inter alia</i> , the passing of the Resolutions);
“Consideration Shares”	means the 10,346,284 new Ordinary Shares to be issued and allotted to the Sellers as consideration pursuant to the terms of the Acquisition Agreement;
“Company” or “Attraqt”	ATTRAQT Group Plc, a company incorporated and registered in England and Wales with registered number 08904529;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);
“CREST Manual”	the CREST reference manual available from <a href="https://www.euroclear.com/site/public/EUI">https://www.euroclear.com/site/public/EUI</a> ;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755);
“Dealing Day”	a day on which the London Stock Exchange is open for business in London;
“Directors” or “Board”	the directors of the Company whose names are set out on page 17 of this document, or any duly authorised committee thereof;
“Early Birds”	Early Birds SAS (a private company limited by shares incorporated in France with company number RCS Paris 448 692 301);
“EB Growth”	means EB Growth, a French <i>société par actions simplifiée</i> with registered number RCS Paris 831 190 889, and its registered office at 8 rue des Capucines, 75002 Paris, France;
“Enlarged Group”	the enlarged group immediately following the acquisition of Early Birds by the Company;
“Enlarged Share Capital”	the issued Ordinary Shares of the Company following the issue of the Placing Shares and the Consideration Shares;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Existing Ordinary Shares”	the 106,368,589 existing Ordinary Shares in issue at the date of this document;

<b>“FCA”</b>	the UK Financial Conduct Authority;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting, which accompanies this document;
<b>“Founders”</b>	means Mrs. Laetitia Comes-Bancaud and Mr. Nicolas Mathon;
<b>“Fredhopper”</b>	Fredhopper B.V., a company incorporated and registered in the Netherlands with commercial register number 34119121 (being a wholly owned subsidiary of the Company);
<b>“Fredhopper Discovery Platform”</b>	means the Company’s existing online merchandising and onsite search tool utilised in the eCommerce sector which is branded ‘The Fredhopper Discovery Platform’;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000;
<b>“GAAP”</b>	Generally Accepted Accounting Principles;
<b>“General Meeting” or “GM”</b>	the general meeting of the Company to be held at the Company’s offices on 7th Floor 222-236 Gray’s Inn Road, London England WC1X 8HB on 28 May 2019 at 10.30 a.m., notice of which is set out at the end of this document;
<b>“Group”</b>	the Company and its subsidiaries as at the date of this document;
<b>“Guarantor”</b>	means AB2, a French société par actions simplifiée having its registered office located at 8, rue des Capucines, 75002 Paris, registered with the Trades and Companies Registry of Paris under number 441 349 016;
<b>“Lock-in Agreements”</b>	means the lock-in agreements to be entered into by: (1) each of the Founders; and (2) the Company, pursuant to which the Founders have agreed not to sell any of their Consideration Shares for a period of two years following Closing;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“New Ordinary Shares”</b>	means the Placing Shares and the Consideration Shares, each a “New Ordinary Share”;
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting which is set out at the end of this document;
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>“Placing”</b>	the conditional placing of the Placing Shares by Canaccord as agent on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this document;
<b>“Placing Agreement”</b>	the conditional agreement dated 8 May 2019 entered into between: (1) the Company; and (2) Canaccord in relation to the Placing, further details of which are set out in this document;
<b>“Placing Price”</b>	27 pence per Placing Share;
<b>“Placing Shares”</b>	the 63,333,334 new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing;
<b>“Registrars”</b>	Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
<b>“Resolutions”</b>	the resolutions set out in the notice of General Meeting at the end of this document;
<b>“SaaS”</b>	software as a service;
<b>“Sellers”</b>	the Founders, EB Growth and various other individuals and/or entities that hold shares in Early Birds immediately prior to Closing;
<b>“Shareholders”</b>	holders of Existing Ordinary Shares;

**“Substantial Shareholder”**

a person who holds any legal or beneficial interest directly or indirectly in 10 per cent. or more of the ordinary shares of a company admitted to trading on AIM as more fully defined in the AIM Rules; and

**“UK” or “United Kingdom”**

the United Kingdom of Great Britain and Northern Ireland.

Note: Any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it. Words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.



## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<b>2019</b>
Announcement of the proposed Acquisition, the Placing and publication of this document	8 May
Latest time and date for receipt of Forms of Proxy for the General Meeting	23 May
General Meeting	28 May
Admission, Closing of the Acquisition, the Placing and commencement of dealings in the Placing Shares and Consideration Shares	29 May
CREST accounts credited in respect of the Placing Shares and the Consideration Shares	29 May
Dispatch of share certificates in respect of the Placing Shares and Consideration Shares (if applicable)	By no later than 5 June

*If any of the above dates or times should change, the revised date and/or time will be notified to Shareholders by an announcement to a Regulatory Information Service.*

## STATISTICS RELATING TO THE PROPOSALS

Number of Existing Ordinary Shares as at the date of this document	106,368,589
Number of Placing Shares to be issued	63,333,334
Number of Consideration Shares to be issued	10,346,284
Enlarged Share Capital on Admission*	180,048,207
Placing Price	27 pence
Gross proceeds of the Placing receivable by the Company	£17.1 million
Placing Shares expressed as a percentage of the Enlarged Share Capital on Admission*	35.2%
Consideration Shares expressed as a percentage of the Enlarged Share Capital on Admission*	5.7%
Market capitalisation of the Company at the Placing Price on Admission	£48.6 million

*\* Assumes that no other Ordinary Shares (except for the Placing Shares and the Consideration Shares) will be issued by the Company in the period from the date of this document up to and including Admission.*

## RISK FACTORS

**AN INVESTMENT IN ORDINARY SHARES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE FACT THAT OWNERSHIP OF SHARES IN THE COMPANY WILL INVOLVE A VARIETY OF RISKS WHICH, IF THEY MATERIALISE, MAY HAVE AN ADVERSE EFFECT ON THE GROUP'S BUSINESSES, FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS. IN ANY SUCH CASE, THE MARKET PRICE OF THE ORDINARY SHARES COULD DECLINE AND AN INVESTOR MIGHT LOSE ALL OR PART OF HIS INVESTMENT.**

**In addition to the information set out in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the potential risks and uncertainties associated with an investment in the Company and they are not set out in any order of priority.**

**Additionally, there may be further risks of which the Directors are not presently aware or currently believe to be immaterial that may, in the future, adversely affect the Group's businesses and the market price of the Ordinary Shares. In particular, the Company's performance might be affected by changes in market, policy and economic conditions and in legal, regulatory and tax requirements.**

**Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under the FSMA, as amended or, if they are a person outside the UK, a person otherwise similarly qualified in their jurisdiction, who specialises in advising on the acquisition of shares and other securities.**

### **Forward looking statements**

This document includes "forward-looking statements" which include all statements other than statements of historical facts including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "plan", "project", "believes", "estimates", "aims", "intends", "can", "may", "expects", "forecasts", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from its future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those implied by any forward-looking statements include factors in this section entitled "Risk Factors" and elsewhere in this document. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions in relation to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward looking statements in this document may not occur. Prospective investors should be aware that these statements are estimates, reflecting only the judgement of the Company's management and prospective investors should not rely on any forward-looking statements.

The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares may not be suitable for all recipients of this document, which should only be made by those with the necessary expertise to fully evaluate such an investment. In addition to the usual risks associated with an investment in a business which is at an early stage of development, the Directors believe the following risks should be considered carefully by investors before acquiring Ordinary Shares. Accordingly, prospective investors are advised to consult an independent adviser authorised under FSMA or, if they are a person outside the UK, a person otherwise similarly qualified in their jurisdiction who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to him. If any of the risks described in this document actually occurs, the Group may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the

Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

## **RISK FACTORS RELATING TO THE BUSINESS AND OPERATIONS OF THE ENLARGED GROUP**

### **Customer concentration**

Early Birds' top three customers by annual contract value are approximately €1 million. This represents 20 per cent. of Early Birds' projected annual recurring revenue for the year end 31 December 2019. Customers of the Enlarged Group typically subscribe for one to three years. There can be no guarantee that the Enlarged Group will be able to successfully renegotiate its existing customer contracts prior to their expiration. Furthermore, as is typical of a high growth and relatively recently established business, a number of the Early Birds' existing clients have only been recently acquired. A young install base typically requires a higher level of customer service management. Any deterioration of the Enlarged Group's relationship with any of these customers or loss of customer contracts could have a material adverse effect on the Enlarged Group's business.

### **Client and staff flight risk**

As with any company acquisition, there is always a risk of losing clients and staff from the acquired company. Whilst the Directors believe that the Enlarged Group's combined service and technology offering will be enhanced by the Acquisition and thus mitigate some client attrition, the mitigation plan involves identifying and speaking with key clients to reassure them of the Enlarged Group's commitment to them and its future development roadmap. Similarly, the Enlarged Group has identified who are the key staff in the target company and will be meeting to reassure them of their position in the Enlarged Group. Where appropriate, retention bonuses and share options may be used to manage staff attrition.

### ***Warranties and indemnities given by Seller in the Sale and Purchase Agreement may provide limited protection for the Company***

The Acquisition Agreement contains certain warranties and indemnities given by the Sellers in favour of the Company (as buyer), breach of which could cause the Enlarged Group to incur liabilities and obligations in the event that it seeks to make a claim for such breach.

As is usual in such a transaction, the warranties and indemnities in the Acquisition Agreement are subject to specific negotiated limitations also contained in the Acquisition Agreement and therefore do not provide the Company with full protection in relation to all risks related to the Early Birds business. Furthermore, although the parties have agreed to certain escrow arrangements which are principally intended to aid recovery in the event the Company makes claim for a breach of the Acquisition Agreement, only a portion of the share consideration valued at €1.60 million (£1.39 million) (represented by 5,152,982 Consideration Shares in aggregate) shall be held in escrow for a period of 24 months to cover any warranty and indemnity claims made by the Company under the terms of the Acquisition Agreement.

As a result of such limitations, the right of the Enlarged Group to recover damages or compensation in the event of contingent liabilities covered by such warranties or indemnities crystallising or an undisclosed liability of Early Birds being discovered after Closing, may not be sufficient to cover the full extent of the relevant liability and the Company may not have recourse against the Sellers in respect of any loss suffered. Furthermore, in the event that the Company makes a claim(s) which exceeds the sum of the escrow consideration (being €1.6 million), then in these circumstances, the Company shall not have recourse to the escrow consideration for any loss in excess of €1.6 million (or in the event of claim made after the second anniversary of Closing, the Company shall have no recourse at all to the escrow consideration). In these instances, the Company may bring a contractual claim against EB Growth and/or the Founders (each of which shall only be liable for pro rata proportion of the loss incurred) but there is no guarantee that any of these entities and/or persons will have the resources to meet the full amount of the claim and there may be significant costs and/or delays in pursuing such claims.

### **Changing consumer habits and confidence**

Consumers are changing the way they shop and can purchase products at all times from multiple different channels. To be successful, the Enlarged Group will have to offer services across multiple channels and regions but there is no guarantee that it will be able to adapt in time to changing consumer preferences and in so doing to be able to offer the services that consumers demand.

### **The integration of Early Birds may give rise to challenges**

The Enlarged Group's success will depend upon the Directors' ability to integrate Early Birds without disruption to the Existing Group's business. The management team will be required to commit time towards achieving the integration of Early Birds and the Existing Group's businesses, and this may affect or impair its ability to run the business of the Enlarged Group effectively, *inter alia*, of technology, systems and procedures, personnel and working culture, may prove more difficult than currently anticipated by the Directors, or take longer than expected, thereby posing a risk to the Enlarged Group's profitability, and the costs to achieve this integration may also be greater than expected, any of which could have a material adverse effect on the Enlarged Group.

### **Technological innovation**

The market for the Enlarged Group's services is characterised by rapid technological change, evolving industry standards, frequent device and service introductions and short life cycles. The Enlarged Group's success depends on its ability to enhance its current solutions and to develop and introduce new solutions and enhanced performance features and functionality on a timely basis at competitive prices. The Enlarged Group's inability, for technological or other reasons, to enhance, develop, introduce or deliver compelling services in a timely manner, or at all, in response to changing market conditions, technologies or consumer expectations could harm operating results or could result in its services becoming obsolete. The Enlarged Group's ability to compete successfully will depend to a great extent on its ability to maintain a technically skilled R&D team consisting of engineers, data scientists and artificial intelligence specialists and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of its technology platform with evolving industry standards and protocols.

### **Competition and market development**

The market for the Enlarged Group's solutions is rapidly evolving and the Enlarged Group expects competition to further intensify in the future with well-funded competitors emerging in recent years, particularly from the US. This market is characterised by rapidly changing technologies and an abundance of potential market participants. As the market, technologies and industries evolve and as the Enlarged Group introduces additional technical solutions, the Directors expect to face significantly increased competition from other companies in the e-commerce visual merchandising, site search and personalised recommendation technology space. Such increased competition could harm the Enlarged Group's revenue and operations.

### **Reliance on key personnel**

Loss of key management or other key personnel, particularly to competitors, could have adverse consequences for the Enlarged Group. Whilst the Enlarged Group has entered into service agreements or letters of appointment with each of its Directors and senior employees, the retention of their services cannot be guaranteed. Furthermore as the Enlarged Group expands it will need to recruit and integrate additional personnel. The Enlarged Group may not be successful in identifying and engaging suitably qualified people or integrating them into the Enlarged Group.

### **High exposure to retail sector**

As a result of the nature of the technology the Enlarged Group provides, the Enlarged Group's customers are predominantly in the retail sector. The existing group has seen a number of high-profile retailer insolvency events in recent years. There is a reasonable expectation that such events will continue for the foreseeable future. A widespread downturn in the economy could put pressure on capital expenditure budgets for software spending if overall retail volumes dropped, which could result in early termination of customer contracts and deter new customers from using the Enlarged Group's services.

### **Business strategy may change**

The future success of the Enlarged Group will depend on the Directors' ability to continue to implement effectively its business strategy. In particular, the pursuit of that strategy may be affected by changes in social and demographic factors or by changes in the competitive environment in the markets in which the Enlarged Group currently operates or expects to operate. If such changes were to materialise, the Directors may decide to change certain aspects of the Enlarged Group's strategy. This might entail the development of alternative products and services, which may place additional strain on the Enlarged Group's capital resources.

### **Interruption or failure of the Enlarged Group's information technology and communications systems**

The availability of the Enlarged Group's products and services depends on the performance, reliability and availability of its information technology and communications systems. The Enlarged Group's systems are vulnerable to damage or interruption from power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm its systems, natural disasters (including floods and fires), vandalism, terrorist attacks or other acts. The Enlarged Group's disaster recovery plans may not address adequately every potential event and its insurance policies may not cover any loss (including losses resulting from business interruption) or damage that it suffers fully or at all.

The Enlarged Group relies on third parties, including data centres and bandwidth providers, to host and operate the Enlarged Group's sites. Any failure or interruption in the services provided by these third parties could harm its operations and reputation. In addition, the Enlarged Group may have little or no control over these third parties, which increases its vulnerability to service problems. Any disruption in the network access or co-location services provided by these parties or any failure of these providers to handle current or higher visitor traffic or transaction volumes could significantly harm the Enlarged Group's business. The Enlarged Group has experienced and may in the future experience disruptions or delays in these services. If these providers were to suffer financial or other difficulties, their services to the Enlarged Group could be interrupted or discontinued and replacement providers may be uneconomical or unavailable.

### **The Enlarged Group's intellectual property rights**

The Enlarged Group relies on a combination of trademarks, service marks and domain name registrations, common law or statutory copyright protection and contractual restrictions to establish and protect its intellectual property. Any third party may challenge the Enlarged Group's intellectual property. The Enlarged Group may incur substantial costs in defending any claims relating to its intellectual property rights.

There can be no guarantee that third parties have not and/or will not manage to independently develop software with the same functionality as the Enlarged Group's products without infringing the Enlarged Group's intellectual property rights and there can be no guarantee that any such competing software would not have a material adverse effect on the Enlarged Group.

Although the Directors believe that the Enlarged Group's intellectual property rights do not infringe the intellectual property rights of others, third parties may assert claims that the Enlarged Group has infringed a particular copyright, trade mark or other proprietary right or confidential information belonging to them. Any such intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and information.

The Enlarged Group could also be subject to potential claims from employees, consultants or third parties with whom it conducts business who allege ownership or co-ownership of certain intellectual property used by the Enlarged Group. Although the Enlarged Group enters into invention assignment and non-disclosure agreements with its employees, consultants and third parties, there is no assurance that these contracts will be enforceable or interpreted to cover the Enlarged Group's use or development of the disputed intellectual property.

### **Use of open source software**

Some of Early Birds' key proprietary software and critical IT systems incorporates significant elements of "open source" software, the use of which by Early Birds is subject to the terms of applicable licenses.

Open source software is typically licensed for use at no initial charge on terms which may allow modification and distribution of the software by the licensee in accordance with such terms. However, licence terms may impose on the user compliance requirements and obligations to disclose modifications Early Birds has made to the software to third parties.

Early Birds' (and consequently the Enlarged Group's) ability to realise fully the commercial benefits of any such software may be restricted because:

- open source licenses may be drafted in legally ambiguous language and may result in unanticipated consequences or obligations regarding Early Birds' software and its use and distribution;
- different open source licence terms may 'conflict' with one-another thus restricting combination and distribution of certain products in compliance with each licence; as a result of the potential requirements to make modifications available to the open source community in accordance with the relevant licence, the Enlarged Group's competitors or licensees may have access to information which may help them to develop competitive products;

- open source software is available to the public for anyone to access and utilise, including the Enlarged Group's competitors; and
- it may be difficult for the Enlarged Group to identify accurately the developers of the open source code (who may be licensors of the software) and whether the licensed software infringes third party intellectual property rights.

In addition, there is a risk that open source software may contain harmful code which may adversely impact the Enlarged Group's customer networks and expose the Enlarged Group to claims.

Furthermore, to the extent that Early Birds uses open source software, it faces more general risks which apply to any organisation making use of such software. For example, the scope and requirements of some common open source software licenses may subject certain portions of Early Birds' proprietary software to certain requirements, including an obligation on Early Birds to disclose that software to third parties and to permit them to use the software free of charge.

There are also other general risks associated with the use of open source software. Such risks in relation to the open source software code acquired, used and incorporated by Early Birds are that it may:

- contain a virus;
- contain a bug which the developers or associated community (if any) cannot fix or development support may cease from time to time for a variety of reasons;
- come with only limited informal or 'paid for' support arrangements which may simply cease or may not necessarily be available in the future; and
- typically be made available for use without warranty or assurance of any kind (which in turn makes it difficult to pass assurances on to third party users and customers utilising such software).

Finally, open source licences typically present onerous compliance risks, and failure to observe these or a failure to pass on relevant notification or disclosure requirements within Early Birds' own terms, may result in litigation or the loss of the right to use the software which may have an adverse effect on the Enlarged Group's financial condition and future prospects. The Enlarged Group is not aware that Early Birds has breached any of these compliance requirements nor has any third party claimed that software owned by Early Birds should be made available on an open source basis.

### **Enlarged Group's contracts**

Certain of the customer, supplier and partner contracts entered into by the Enlarged Group contain onerous and/or unusual terms (including in some cases no clauses limiting liability, some clauses restricting the territory in which the company can operate, unclear termination provisions and change of control provisions relating to certain of Early Bird's existing contracts) which may not adequately protect the Enlarged Group or which may leave the Enlarged Group exposed to liabilities or restrictions. While the Enlarged Group intends to seek to negotiate improved terms for use with new customers, suppliers and partners and to try and negotiate appropriate amendments to contracts with existing customers, suppliers and partners when the existing contracts are to be renewed, there is no guarantee that customers, suppliers or partners will agree to these terms or that such negotiations will be successful. Enforcement of a contract containing onerous and/or unusual terms by a customer, supplier or partner could result in increased liability or restrictions for the Enlarged Group.

### **Trading and conversion of sales pipeline**

The Enlarged Group's trading expectations are based on assumptions relating to the conversion of its sales pipeline which the Directors consider to be reasonable, but which are inherently subject to variation and uncertainty. There can be no assurance or guarantee that those expectations will be fulfilled, that the outcome of the Enlarged Group's strategy will be achieved, or that the Enlarged Group will achieve the desired levels of revenue or profit.

### **The Enlarged Group may fail to realise the expected benefits of the Acquisition**

The Directors believe that the Acquisition will provide strategic and financial benefits for the Enlarged Group. However, there is a risk that the anticipated benefits will fail to materialise, or that they will be less significant than anticipated, and this may have a significant impact on the Enlarged Group's financial condition, result of operations and prospects and/or the price of the Ordinary Shares and the Enlarged Group.

### **The value of the Early Birds may be less than the consideration paid by Attraqt**

In the event that the business does not perform as expected or there is an adverse event affecting the value of Early Birds, the value of Early Birds may be less than the consideration agreed to be paid by Attraqt and, accordingly, the net assets of the Enlarged Group could be reduced and Attraqt may not realise the envisaged value of the Acquisition. Following Completion, Attraqt would not be able to renegotiate the consideration paid for Early Birds in such circumstances and Attraqt may therefore pay an amount in excess to market value for Early Birds, which could have an adverse effect on the business and financial condition of the Enlarged Group.

### **Changes in applicable laws and regulations**

Regulation of the internet and e-commerce is rapidly evolving and there are an increasing number of directly applicable laws and regulations. It is possible that additional laws and regulations may be enacted with respect to the internet, covering issues such as user privacy, law enforcement, pricing, taxation, content liability, data encryption, copyright protection and quality of products and services. The requirement to comply with and the adoption of such new or revised regulations, or new or changed interpretations or enforcement of existing regulations, may have a material adverse effect on the Enlarged Group.

### **Data protection and changes resulting from the General Data Protection Regulation and global data protection measures**

The Enlarged Group does not aim to collect, store or use personally identifiable information (such as names, addresses, telephone numbers or other information that permits the contacting of a specific individual) from end users, but the data that the Enlarged Group collects about users' interactions with its customers may be considered personally identifiable information in some jurisdictions and subject to various international data protection laws and regulations. Accordingly, the Enlarged Group has been and will remain subject to a number of laws relating to privacy and data protection, including the UK's Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, as well as relevant non-EEA data protection and privacy laws. Such laws govern the Enlarged Group's ability to collect, use and transfer personal information. The General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") came into force on 25 May 2018 and places more onerous obligations in relation to data protection compliance. The Directors believe that the Enlarged Group's businesses have taken, and will take, steps to ensure compliance with the GDPR, but there is a risk that such measures may not be deemed sufficient in order to comply with the regulation or regulatory guidance. Failure to comply with the GDPR or other data protection legislation in the countries where the Enlarged Group operates or to which it is subject, may leave it open to criminal and civil sanctions.

### **Reputation risk**

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

### **Foreign exchange currency risk**

The Enlarged Group currently has foreign sales denominated in US dollars and Euro's and may, in the future, have sales denominated in the currencies of additional countries in which the Enlarged Group establishes sales offices. Any fluctuation in the exchange rate of these foreign currencies may have a material adverse effect on the Enlarged Group's business. The Enlarged Group has not previously engaged in foreign currency hedging. If the Enlarged Group decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets.

### **Taxation legislation**

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

### **Economic conditions and current economic weakness**

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

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

### **UK's proposed termination of its membership of the European Union**

The Enlarged Group faces potential risks associated with the proposed exit by the UK from its membership of the European Union, and the potential uncertainty preceding that exit. The UK exiting the European Union could materially change both the fiscal and legal framework in which the Enlarged Group operates, and it could have a material impact on the UK's economy and its future economic growth. In addition, prolonged uncertainty regarding aspects of the UK economy as a result of the uncertainty around the proposed exit could damage customers' and investors' confidence.

## **RISKS RELATING TO THE COMPANY'S SECURITIES**

### **General**

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

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

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

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

The Company may need to raise additional funds in the future to finance, *inter alia*, working capital, expansion of the Enlarged Group's businesses, new developments relating to existing operations and/or further acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders will be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights ranking ahead of the Ordinary Shares.



## LETTER FROM THE CHAIRMAN OF ATTRAQT GROUP PLC

# ATTRAQT Group plc

(incorporated in England and Wales with registered number 08904529)

### Directors:

Nick Habgood (*Non-Executive Chairman*)  
Ivor Dunbar (*Non-Executive Deputy Chairman*)  
Luke McKeever (*Chief Executive Officer*)  
Eric Dodd (*Chief Financial Officer*)  
Robert Fenner (*Non-Executive Director*)

### Registered Office:

7<sup>th</sup> Floor  
222-236 Gray's Inn Road  
London  
WC1X 8HB  
England

8 May 2019

Dear Shareholder,

**Proposed acquisition of Early Birds SAS**  
**Placing of 63,333,334 Placing Shares at 27 pence per share**  
**Issue of 10,346,284 Consideration Shares**  
**Admission of the Enlarged Share Capital to trading on AIM**  
**and**  
**Notice of General Meeting**

### 1. INTRODUCTION

The Company is pleased to announce that it has today entered into a conditional agreement to acquire the entire issued and to be issued share capital of Early Birds SAS for an aggregate consideration of €15.89 million (c. £13.82 million), subject to adjustment for normalised working capital, of which €12.68 million (c. £11.03 million) will be satisfied in cash and €3.21 million (c. £2.79 million) will be satisfied by the issue of Consideration Shares.

Early Birds has developed and owns a real-time predictive personalisation platform that delivers a multichannel customer experience for its customers. It is positioned as one of the market leaders in France for true AI-driven personalisation. Early Birds serves 69 customers trading in more than 28 countries through a modern, proven, scalable SaaS platform that currently services 1.8 billion API calls per month. Such clients include Boulanger, Cdiscount, Fnac/Darty, La Fourchette, La Redoute and The Kooples.

The Company proposes to fund the cash component of the consideration for the Acquisition and provide growth capital to the Enlarged Group by way of the Placing. The Company has conditionally raised approximately £17.1 million (before expenses) by way of a placing of 63,333,334 Placing Shares at a price of 27 pence per share with certain institutional and other investors. The Placing Price represents a 1.89 per cent. premium to the closing middle market price of 26.5 pence per Ordinary Share on 7 May 2019, being the latest Dealing Day prior to the announcement of the Acquisition.

The Placing is conditional on Admission becoming effective and the Placing Agreement becoming unconditional in all respects by no later than 29 May 2019, or such later date (being no later than 28 June 2019) as the Company and Canaccord may determine.

The Board believes that the Acquisition represents a transformational step to the Group's vision of building an AI eCommerce leader that is integral to the world's best shopping experiences. The Acquisition will enable the Company's existing and prospective retailer clients to combine a high degree of AI-powered automation and personalisation with the ability to create highly curated and individual shopping experiences.

The combination of the Company with Early Birds creates a powerful and differentiated proposition that the Board believes will:

- Deliver an enlarged product offering;
- Increase competitive win rate, reduce attrition and increase average selling prices;

- Immediately fulfil a cornerstone of the Company’s 2019 to 2020 product development roadmap; namely the addition of AI capabilities driven by an API deployment model to the Company’s product offering; and
- Add scale to the Company by:
  - Increasing access to Early Birds’ 69 customers that are trading in more than 28 countries (of which 15 are enterprise clients);
  - Control of one of the market leaders in France, providing a base for geographic expansion into the SEMEA region;
  - Creating up-sell and cross-sell opportunities for both the Company and Early Birds; and
  - Increasing the addressable market, including through new verticals.

Further details of the Acquisition and the Placing, and the Shareholder approvals required in relation to them, are set out below.

The purpose of this document is to provide Shareholders with further information on the proposed Acquisition and Placing, and this letter sets out why the Board believes that both are in the best interests of the Company and its Shareholders as a whole, and recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

## **2. INFORMATION ON ATTRAQT**

### **Introduction**

Attraqt is a leading provider of online merchandising and onsite search for eCommerce. Branded ‘The Fredhopper Discovery Platform’, the Company’s SaaS platform focuses on providing retailers with search and visual merchandising tools to give them much greater control over how their products are merchandised on their eCommerce sites.

It is developed, sold, implemented and supported by 129 people based in the UK, Netherlands, Bulgaria, USA, Germany, France and Australia.

The platform serves 240 brands across the globe in multiple verticals including fashion, home & garden, luxury, beauty and department stores. Clients include ASOS, Waitrose, Vans, Pretty Little Thing, Paul Smith, Misguided, JD Sports and Selfridges & Co. The technology is proven, robust and scalable, having served, for example, 360 million requests over Black Friday 2018.

The Directors believe that the benefits for retailers include:

- Increased conversion rates;
- Greater productivity from the retailers’ online visual merchandising teams;
- Greater flexibility to respond to trends;
- An enhanced shopper experience that provides retailers with a competitive advantage; and
- Reduced reliance on internal IT to make changes.

### **Recent developments**

In 2018, a leadership change was initiated by the Board, and a refreshed strategic plan was enacted to guide the Company into its next stage of growth following the acquisition of Fredhopper in 2017. That plan led to organisational alignment within the Company and the creation of a customer success team to improve client retention. Improvements were also made to on-boarding and the Company’s professional services operation. Additionally, a competitive audit was conducted which resulted in the creation of a single, new vision for the Company – to become integral to the world’s best shopping experiences.

The 2018 Company’s financial highlights include:

- Proforma revenue increase of 10 per cent. to £17.1 million;
- Comparable gross profit increased 16 per cent. to £11.5 million;
- Annual Contract Value increased by 14 per cent. to £97,000;
- Adjusted EBITDA moved into breakeven of £0.03 million (2017: loss of £0.2 million);
- 15 new logos with an average Annual Contract Value of £73,000;

- Net revenue retention of 96 per cent.; and
- Annual Recurring Revenue flat at £16.0 million.

In 2019, the Company's near and mid-term plan is to execute on a focused product vision and deliver on its 12-month strategic roadmap. In connection therewith, partnerships have been or are in the process of being created with companies that have complementary technology, eCommerce platform providers, system integrators and providers of connectivity software and services.

This year saw the development and launch of the Company's Experience Optimisation team which provides retailers with specialist retail insights and expertise to help them optimise their merchandising performance. In doing so, retailers validate the benefits delivered by the Fredhopper Discovery Platform thereby justifying their investment, a key driver of client retention.

Marketing has been restructured and improved with a view to executing a focused account-based market sales model.

### **Business model**

The Company operates through a SaaS model, based primarily on a recurring monthly service fee with one-off on-boarding and setup fees and additional follow-on project fees. Clients typically contract for a minimum of 12 months, with some larger clients signing for two to three years. The Board considers this to be a standard and scalable model.

### **Acquisition strategy**

The acquisition of Fredhopper in March 2017 was the first step in changing the scale and reach of the Company. The Board has continued to explore further acquisitions aligned to the Group's corporate strategy, which led it to this proposed acquisition of Early Birds. Through this Acquisition, the Company fulfils a cornerstone of its 2019/2020 product development roadmap by adding AI, API-led connectivity and personalised recommendations to its service offering, a powerful platform augmentation.

## **3. MARKET OVERVIEW**

### **Market trends – AI and personalisation is key to competing in the future marketplace**

Digital commerce applications make use of AI to assist with pattern recognition and classification. This enables personalisation, customer segmentation and sentiment analysis. According to Forrester Research Inc<sup>(1)</sup> in 2019, the market dynamics are changing, as 89 per cent. of digital professionals plan to invest in personalising the customer experience and 77 per cent. of consumers have chosen, recommended, or paid more for a brand that provides a personalised service/experience.

As consumer expectations continue to rise, retailers need to offer consumers more relevant and personalised shopping experiences. In recent years, retailers and brands have placed increased emphasis on the customisation of each individual shoppers' eCommerce experience through the delivery of personalised search results and making product recommendations.

The business response has been measured as follows:

- 75 per cent. of brands have personalised website content.
- 55 per cent. of brands have personalised promotions/product offers.
- 49 per cent. of brands have personalised product recommendations.

Retailers that successfully meet these expectations have experienced increased customer conversion and improved average order value.

This momentum is accelerating and the sector is predicted to grow at a CAGR of 40.7 per cent. for the next five years. A 2019 study by Monetate<sup>(2)</sup> reported that 24.3 per cent. of retail businesses are already invested in machine learning/AI technology for personalisation and 50.5 per cent. of retail businesses intend to invest in such technology during 2019.

Notably, there is a greater weighting to European businesses (52 per cent. EU, 45 per cent. North America).

(1) Source: 2019 Forrester Research Inc – The Personalization Imperative: Making The Move to Individualisation by Brendan Witcher (Vice President, Principal Analyst).

(2) Source: Monetate – 2019 Personalization Development Study.

Further, Forrester Research<sup>(3)</sup> reports that:

- 61 per cent. of customers are unlikely to return to a website that does not provide a satisfactory customer experience;
- 77 per cent. of consumers have chosen, recommended, or paid more for a brand that provides a personalised service/experience; and
- 89 per cent. of digital professionals plan to invest in personalising the customer experience.

The Company estimates that the total addressable market for Website Personalisation today is €167 million, the UK's share of which is approximately €27 million.

Region	ARR Potential (€millions)
UK	27.2
SEMEA	31.5
Benelux	7.7
ANZ	7.8
DACH	26.7
Nordics	8.3
US & Canada	58.0

Source: SimilarWeb, Website Traffic Statistics and Market Intelligence.

AI-driven personalisation is front and centre in many of the Company's current competitive tender processes. The Company has noted that competitors have implemented this technology as part of their product offering and are making it a key part of clients' buying criteria.

The Company considers AI competence and personalisation key to competing in the future marketplace. While the Company considers itself the clear market leader in highly curated shopping experiences for eCommerce search and merchandising, personalisation remains a core area of focus for enhancement. The proposed acquisition of Early Birds addresses this component in the product roadmap and is central to the Company's ambition to power the world's best shopping experiences.

#### 4. INFORMATION ON EARLY BIRDS

##### 4.1 Overview of Early Birds

Early Birds is an AI-driven personalisation SaaS platform that delivers real-time, multichannel shopping experiences for its customers.

Its high quality, state-of-the art online personalisation technology is built on a scalable and modern technology platform, hosted on Google Cloud. It is capable of ingesting vast product catalogues and delivering personalisation services expected by large and medium sized retailers. Despite processing very large product catalogues, query response time is impressively fast.

Positioned as one of the market leaders in France, Early Birds believe it offers the only solution on the market that is able to integrate customers' own personalisation algorithms.

In 2017, Early Birds was voted the most innovative data and analytics start-up by the Federation of eCommerce and Distance Selling (FEVAD) & KPMG.

Benjamin Couitière – *Sales Manager, Retail & E-commerce – Google Cloud France* stated:

*"Built and running on Google Cloud Platform, Early Birds is the most reliable and efficient personalization platform for retailers and pure players. [They] provide an innovative solution to increase sales and improve customer satisfaction, based on top of the class Artificial Intelligence and Machine Learning technologies."*

##### History

Early Birds began product development in 2012 and launched its first product in 2015. In April 2015, it raised a seed funding round of €450k, a Series A funding round of €4.3 million in September 2017 and opened a UK office in 2018.

(3) Source: 2019 Forrester Research Inc – The Personalization Imperative: Making the Move to Individualisation by Brendan Witcher (Vice President, Principal Analyst).

## Talent

The Early Birds group has 26 employees of which 45 per cent. are in Product Research & Development and 38 per cent. hold client facing roles. The majority of employees are based in Paris, with three employees focused in the UK.

## Key technology features

The Early Birds platform creates a single, real-time, contextual view of a consumer, and enables data science teams to test and deploy their own machine learning algorithms alongside other best-in-class models including those developed by Early Birds itself.

New data sources are created and enriched via the process of data transformation and then analysed through the Early Birds Algorithm Orchestration Platform to produce consumer insights and personalised recommendations. A retailer uses the product suite to optimise consumer outcomes by testing and learning via A/B testing and reporting.

An overview of the technical components is set out below:

- *Visitor integration*: client-definable events and an event-reporting API for both clickstream and non-clickstream events.
- *Catalogue integration*: includes a breadcrumb model of item categories allowing for representation of a full lattice of category types (i.e., {mens. shirts, sale}), together with an expressive widget language over the lattice.
- *Data Management*: manages the collection, cleaning and enrichment of data.
- *Algorithm Hosting Platform*: enables data to be processed through algorithms, which may be developed by Early Birds, open source providers, third parties and/or the client. In other words, the platform enables data science teams to test and deploy their own machine learning alongside other best-in-class models (AI Orchestration) whilst at the same time maintaining the ability to merchandise, A/B test and report.
- *On-page recommendation widgets*: these are highly customisable and interactive. They incorporate rollover, explanation and feedback functionality.
- *Merchandising functionality*: enables comprehensive control over visitors, web pages and recommendations.
- *Reporting*: includes a comprehensive set of operating and performance statistics.
- *A/B testing*: testing evaluation and reporting facilities available at widget level and, critically, includes test-result significance reporting. This enables different personalisation strategies to be tested.
- *Omni-channel capability*: the ability to place offers and content throughout, *inter alia*, the website, basket, checkout, in-store and call centres.

Other key features and functional areas include:

- On-site recommendations
  - multiple strategies
  - available throughout all pages on website
  - may be product or content based
- Email recommendations
  - can be based on user action i.e abandon shopping cart or feature as part of marketing email
  - extension of the product offering being extended into the large marketing automation sector
- AI driven Merchandising
  - ability to post filter output from recommendation results before rendering to end users
  - ability to deploy merchandising rules at local site level and across multiple same brand sites

## Platform performance

Early Birds is positioned as one of the market leaders in France for true AI-driven personalisation with its modern, proven, scalable SaaS platform that currently:

- Serves 1.8 Billion API calls per month.
- Serves 58 million recommendations per day.
- Manages 152 million products – the largest customer holds >50m product SKUs.
- Has an average response time of 62.8ms.

## Clients

Early Birds currently has 69 customers in more than 28 countries. These include Boulanger, Cdiscount, Fnac/Darty, La Fourchette, La Redoute and The Kooples. Of the 69 clients, 15 are enterprise clients with an average Annual Contract Value of €171k.

Early Bird's top three clients, in aggregate, accounted for approximately 32 per cent. of its total revenues in 2018 while the top ten clients accounted for approximately 53 per cent. of total revenues in the same period. There is limited customer overlap between the Company and Early Birds.

In 2018, Early Birds acquired 26 new clients which has contributed towards its impressive annual recurring revenue growth, as set out in section 4.3 below.

## 4.2 Early Birds management and Sellers

The two co-founders of Early Birds will join the Enlarged Group in key senior management roles focusing on the priorities below.

- *Laetitia Comes-Bancaud* will become Vice President, Attraqt Southern Europe. She will report to Luke McKeever, CEO and join the Attraqt executive team. Her key responsibilities will include the execution of the current pipeline for Early Birds and assisting in the commercial integration of the business and growth plans for 2020 and beyond.
- *Nicolas Mathon* will be Vice President of Data & Artificial Intelligence Solutions, Attraqt. Nicolas will report to Peter Thomas, CTO and join the Attraqt executive team. His key responsibilities will include the deployment of an integrated and enhanced software solution and the launch of the Attraqt data science team. He will remain a key executive sponsor and spokesperson in major accounts.

A two-year lock-in has been agreed in respect of the Founders Consideration Shares, further details of which are set out below.

## 4.3 Summary Early Birds financial results

Audited consolidated figures for the year end	31 December 2016	31 December 2017	31 December 2018
€ million			
Revenue	0.6	1.4	2.3
Annual Recurring Revenue	0.9	2.0	3.6
EBITDA	(0.2)	(0.5)	(0.5)
Loss before tax	(0.3)	(1.0)	(1.2)

In 2018, Early Bird's revenues were generated from:

- SaaS subscriptions (90 per cent.)
- Professional services (10 per cent.)

The average contract value is €59,000. As of 31 December 2018, Early Birds had consolidated net assets of approximately £1.2 million (2017: £2.1 million). In March 2019, Early Bird's annual recurring revenue was €3.6 million and is targeted to be greater than €4.9 million by year end.<sup>(4)</sup>

(4) This is a target only and not a forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should not place any reliance on these targets.

## **5. BACKGROUND TO AND REASONS FOR THE ACQUISITION**

### **Vision**

The Board considers this to be a strategic acquisition. Attraqt's vision is to create the artificial intelligence eCommerce leader delivering a single unified solution for search, merchandising, product and content personalisation for retailers and brands.

This is achieved by combining the Company's existing ability to creatively control search and merchandising shopping experiences (being the Fredhopper Discovery Platform) with Early Birds' automation platform which deploys AI to personalise shopping experiences.

Once the companies are combined, Attraqt intends to optimise the product discovery phase and the beginning of a purchase cycle. Early Birds will optimise and personalise the buying process once the intent of each customer is ascertained.

The result is AI that is augmented and enhanced by human expertise and creativity producing a seamless, exceptional and personalised shopping experience across all eCommerce channels.

### **Example value proposition**

An example value proposition for a retailer/brand is set out below:

- A shopper searches the eCommerce website.
- The Fredhopper Discovery Platform finds relevant products.
- The Early Birds platform ranks the search results against shopper user preferences.
- The results are returned to the Fredhopper Discovery Platform and displayed to the shopper in accordance with the retailer's visual merchandising rules.

The outcome is accurate offers that deliver relevant and compelling shopping experiences to shoppers and also take into account the retailer's or brand's criteria for best performance such as average order value and higher sales.

### **Initial collaboration success**

On 18 March 2019, the Company and Early Birds announced a strategic partnership to consolidate its search, merchandising and personalisation technologies to deliver exceptional shopping experiences. That partnership achieved its first success with Attraqt acquiring a new client in April 2019 and a joint integration project being conducted with an existing mutual client.

### **Accelerating the Company's existing roadmap**

Early Birds is built on a highly complementary, contemporary technology stack. The Board intends to leverage the strengths of each platform to accelerate the Company's innovation. The combined roadmap will be split into three categories:

- I. Engagement, which improves the user experience, search function and delivers personalised content recommendations;
- II. Conversion, through better user navigation of retail websites, product recommendations, and merchandising; and
- III. Analytics, covers AB testing, segmentation, predictive and external analytics.

Each category will be underpinned by Artificial Intelligence.

### **Investment case and conclusion**

The Company is now operating under a refreshed vision, purpose, product positioning and strategy.

The Board believes that the Acquisition represents a powerful leap forward for the Company as an AI leader. It is a transformative strategic acquisition that will enable retailers to combine a high degree of AI-powered automation and personalisation with the ability to create exceptional, highly curated and individual shopping experiences.

The combination of the Company with Early Birds creates a powerful and differentiated proposition that the Board believes will:

- Significantly enhance and broaden the Company's product offering (extends market opportunity and sales win rate).

- Augment the Company's limited AI competence, which competitors have begun to exploit.
- Increase competitive win rate, reduce attrition and increase average selling prices.
- Immediately fulfil a cornerstone of the Company's 2019 – 2020 product development roadmap.
- Add significant scale to the Company by:
  - Increasing access to 69 Early Birds customers of which 15 are enterprise clients.
  - Control of the market leader in France, providing a base for geographic expansion into the SEMEA region.
- Create upsell and cross-sell opportunities for both the Company and Early Birds.
- Increase the total addressable market, including through new verticals.

## 6. PRINCIPAL TERMS OF THE ACQUISITION

Under the terms of the Acquisition Agreement, the Company has agreed to acquire the entire issued and to be issued share capital of Early Birds SAS from the Sellers for an aggregate consideration of EUR €15.89 million (£13.82 million), subject to adjustment for normalised working capital, of which €12.68 million (£11.03 million) will be satisfied in cash and €3.21 million (£2.79 million) will be satisfied by the issue of the Consideration Shares. A portion of the share consideration valued at €1.60 million (£1.39 million) (represented by 5,152,982 Consideration Shares in aggregate) shall be held in escrow for a period of 24 months to cover any warranty and indemnity claims made by the Company under the terms of the Acquisition Agreement.

The Consideration Shares, when issued, will represent approximately 5.7 per cent. of the Enlarged Share Capital immediately following Admission. The Consideration Shares, when issued, will represent approximately 5.7 per cent. of the Enlarged Share Capital immediately following Admission, of which Mrs. Laetitia Comes-Bancaud and Mr. Nicolas Mathon will each beneficially hold 3,578,435 Consideration Shares (approximately 2.0 per cent. of the Enlarged Share Capital each) and EB Growth will beneficially hold 3,189,414 Consideration Shares (approximately 1.8 per cent. of the Enlarged Share Capital). The Consideration Shares will rank in full for all dividends with a record date on or after the date of Admission and otherwise equally with the Ordinary Shares and Placing Shares in issue from the date of Admission.

The Consideration Shares shall be deemed to have an issue price of £0.27 per share.

Completion of the Acquisition is conditional upon, *inter alia*, the passing of the Resolutions and admission of the Placing Shares to trading on AIM.

The Acquisition Agreement contains warranties from the Founders and EB Growth relating to, *inter alia*, the business and operations of Early Birds and indemnities in favour of the Company and the limitations on liability under the warranties are set at a market standard level for such a transaction. The warranties were given on signing of the Acquisition Agreement and will be repeated immediately prior to Closing. The Guarantor has irrevocably guaranteed to the Company the performance by EB Growth of EB Growth's obligations under the Acquisition Agreement. If EB Growth fails to perform any such obligation, the Guarantor shall perform (or procure the performance of) of that obligation.

The Sellers shall procure that Early Birds carries on its business in the ordinary course between the date of signing the Acquisition Agreement and Closing and shall not take certain decisions or carry out certain actions without the prior consent of Attract.

## 7. DETAILS OF THE PLACING

The Placing will raise, in aggregate, £17.1 million (before commissions and expenses) through the conditional placing of the Placing Shares at the Placing Price with institutional and other investors.

The Placing Shares, when issued, will represent approximately 35.2 per cent. of the Enlarged Share Capital immediately following Admission. The Placing Shares will rank in full for all dividends with a record date on or after the date of Admission and otherwise equally with the Existing Ordinary Shares and the Consideration Shares in issue from the date of Admission.

The Placing (which is not being underwritten) is conditional, *inter alia*, upon:

- (a) the Placing Agreement becoming unconditional in all respects as regards the Placing (Admission occurring) and not having been terminated in accordance with its terms prior to Admission;



- (b) the Acquisition Agreement not having been lapsed or terminated and having become unconditional in all respects (subject only to Admission);
- (c) the Resolutions set out in the Notice of General Meeting being approved by the Shareholders; and
- (d) Admission of the Placing Shares becoming effective on or before 29 May 2019 or such later date as the Company and Canaccord may agree, being no later than 28 June 2019.

## 8. THE PLACING AGREEMENT

Pursuant to the terms of the Placing Agreement, Canaccord has conditionally agreed to use its reasonable endeavours, as agent for the Company, to procure subscribers for the Placing Shares at the Placing Price with certain institutional and other investors.

The Placing Agreement contains warranties from the Company in favour of Canaccord in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Canaccord in relation to certain liabilities they may incur in respect of the Placing. Canaccord has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given in the Placing Agreement, the failure of the Company to comply in any material respect with its obligations under the Placing Agreement, the occurrence of a *force majeure* event which in Canaccord's opinion may be material, or a material adverse change affecting the financial position or business or prospects of the Company.

## 9. LOCK-IN ARRANGEMENTS

Under the terms of the Lock-in Agreements, each of the Founders have entered into irrevocable undertakings not to dispose (save in certain specified circumstances) of any interest in the Consideration Shares for a period of 24 months after Closing.

## 10. RELATED PARTY TRANSACTIONS AND PARTICIPATION BY THE MANAGEMENT TEAM IN THE PLACING

Lombard Odier and Azini are, as Substantial Shareholders, related parties of the Company and have unconditionally agreed to subscribe for, in aggregate, 14,129,256 Placing Shares in the Placing. Following Admission their interests in the Company will be as follows:

Shareholder	Number of Existing Ordinary Shares	Percentage of existing share capital in the Company	Number of Placing Shares subscribed for in the Placing	Number of Ordinary Shares immediately following completion of the Placing	Percentage of Enlarged Share Capital
Lombard Odier Asset Management (Europe) Limited	21,221,518	19.95	7,407,407	28,628,925	15.90
Azini 3 LLP*	17,224,846	16.19	6,721,849	23,946,695	13.30

\* Azini 3 LLP ("Azini") is a private equity fund managed by Azini Capital Partners LLP. Nick Habgood (Chairman of the Company) is the Managing Partner of Azini Capital Partners LLP. Azini 3(FP)LP is a limited partner in Azini and Nick Habgood is a partner in Azini 3(FP)LP. Therefore, Nick Habgood has an indirect interest in the share capital of the Company.

Furthermore, Luke McKeever (who is a director of the Company) and Swapnil Dodd (being the wife of Eric Dodd, who is himself a director of the Company), thus each being a related party for the purposes of the AIM Rules, have each unconditionally agreed to subscribe for 370,370 Placing Shares and 92,592 Placing Shares in the Placing, respectively. Following Admission, Luke McKeever and Eric Dodd (together with his wife, Swapnil Dodd) will own 370,370 Ordinary Shares and 92,592 Ordinary Shares, equivalent to approximately 0.21 per cent. and 0.05 per cent. of the Enlarged Share Capital, respectively.

The issue of the Placing Shares to Lombard Odier; Azini, Luke McKeever and Swapnil Dodd constitute related party transactions under Rule 13 of the AIM Rules. The independent Directors (being Ivor Dunbar and Robert Fenner) consider, having consulted with the Company's nominated adviser, Canaccord, that the terms of the aforementioned related party transactions are fair and reasonable insofar as Shareholders are concerned.

In addition to the aforementioned related party transactions, Peter Thomas (Chief Technology Officer), David Newbury (Chief Marketing Officer) and Jonathan Schradi (Director of Customer Success) have

agreed to participate in the Placing and have unconditionally subscribed for, in aggregate, 185,184 Placing Shares.

## **11. SETTLEMENT AND DEALINGS**

Application will be made to the London Stock Exchange for the Placing Shares and the Consideration Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares and the Consideration Shares will commence on 29 May 2019, subject to the passing of the Resolutions at the General Meeting.

The Placing Shares and the Consideration Shares being issued pursuant to the Placing and Acquisition will, on Admission, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the issued Ordinary Shares.

## **12. USE OF PROCEEDS**

Of the Placing proceeds, £12.3 million will be used to satisfy the cash consideration payable in respect of the Acquisition and associated transaction costs, with a portion used to fund the growth plans (c.£2 million) and implementation costs (c.£0.6 million) for the Enlarged Group following completion of the Acquisition. The balance of the Placing proceeds, being an aggregate sum of c. £2.2 million, will be used for general working capital purposes for the Enlarged Group.

## **13. CURRENT TRADING AND PROSPECTS**

Trading for the first three months of the year was in line with management's expectations. The Company is confident that the enlarged business following completion of the Acquisition will provide a compelling proposition to brands looking to deliver exceptional shopping experiences.

## **14. GENERAL MEETING**

The Directors do not currently have authority to allot all of the Placing Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the Placing Shares at the General Meeting, together with approval to disapply pre-emption rights in respect of the proposed Placing.

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of the Company on 7th Floor, 222-236 Gray's Inn Road, London, England WC1X 8HB on 28 May 2019 at 10.30 a.m., at which the Resolutions will be proposed as ordinary or special resolutions as summarised below:

### **Ordinary Resolution**

1. THAT, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as relevant securities) in connection with the Placing and the issue of the Consideration Shares pursuant to the Acquisition up to an aggregate nominal value of £736,797,

provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier); and

### **Special Resolution**

2. THAT, if resolution 1 above is passed, the Directors of the Company be authorised to allot equity securities for cash under the authority given by that resolution 1 as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to the allotment of equity securities in connection with the Placing up to an aggregate nominal amount of £633,334,

such authority to expire 15 months from the date this resolution is passed, or, if earlier, the conclusion of the Company's next annual general meeting.

## **15. ACTION TO BE TAKEN**

The Form of Proxy for use at the General Meeting by Shareholders holding Existing Ordinary Shares in certificated form accompanies this document. Whether or not you intend to be present at the meeting, the Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as

soon as possible, but in any event so as to be received by no later than 10.30 a.m. on 23 May 2019. Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the Notice of General Meeting and described in the CREST Manual. The completion and return of a Form of Proxy or appointment of a proxy via CREST will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

#### **16. RECOMMENDATION**

**Shareholders should be aware that if the Resolutions are not passed, the Placing and, therefore, the Acquisition will not proceed.**

The Directors consider the Placing and the Acquisition to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 1,214,000 Existing Ordinary Shares, representing approximately 1.14 per cent. of the current issued share capital of the Company.

Yours faithfully

**Nick Habgood**  
*Chairman*

# ATTRAQT Group Plc

*(Incorporated in England and Wales with company number 08904529)*

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting (the “**Meeting**”) of Attraqt Group Plc (the “**Company**”) will be held at the offices of the Company, 7th Floor, 222-236 Gray’s Inn Road, London, England WC1X 8HB on 28 May 2019 at 10.30 a.m., for the purpose of considering and, if thought fit, passing the following resolutions (the “**Resolutions**”), of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

In this notice words and defined terms shall have the same meanings as words and defined terms in the circular to the holders of Existing Ordinary Shares dated 8 May 2019 to which this notice is attached.

### ORDINARY RESOLUTION

1. THAT, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the “**Act**”) to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as relevant securities) in connection with the Placing and the issue of the Consideration Shares pursuant to the Acquisition up to an aggregate nominal value of £736,797 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the articles of association of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire 15 months from the date this resolution is passed, or, if earlier, at the conclusion of the next annual general meeting save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

### SPECIAL RESOLUTION

2. THAT, if resolution 1 above is passed, the Directors of the Company be authorised to allot equity securities for cash under the authority given by that resolution 1 as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to the allotment of equity securities in connection with the Placing up to an aggregate nominal amount of £633,334,

such authority to expire 15 months from the date this resolution is passed, or, if earlier, at the end of the next annual general meeting save if, prior to its expiry, the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted after the authority expires, and the Directors of the Company may allot equity securities under any such offer or agreement as if the authority had not expired.

Dated 8 May 2019

By Order of the Board

**Eric Dodd**  
Company Secretary

**Notes:**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 6.00 p.m. on 23 May 2019 (or if the GM is adjourned, 48 hours before the time fixed for the adjourned GM) shall be entitled to attend and vote at the GM in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the GM.
2. A member who is entitled to attend, speak and vote at the GM may appoint a proxy to attend, speak and vote instead of him. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the GM in order to represent you. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the GM (although voting in person at the GM will terminate the proxy appointment). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chairman of the GM or another person as a proxy. You can only appoint a proxy using the procedures set out in these Notes and in the notes to the proxy form.
3. To be valid, a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Company's registrar, Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 10.30 a.m. on 23 May 2019.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the GM (and any adjournment thereof) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company's agent, Link Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
6. CREST members and, where applicable, their CREST sponsor or voting service provider, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual (available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)) concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
9. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in Notes 2 to 4 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
10. As at 7 May 2019 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 106,368,589 ordinary shares of £0.01 each, carrying one vote each. The Company does not have any treasury shares in issue. Therefore, the total voting rights in the Company as at 7 May 2019 are 106,368,589.
11. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
12. A copy of this notice can be found at [www.attraqt.com](http://www.attraqt.com).

